

Government to retain blacklists despite Silkin court apology

Government will continue to blacklist companies that break the guidelines despite a qualification by the Attorney General in the Court of Appeal last night, and despite the possibility of defeat in the Commons on the issue tonight. Mr Sam Silkin, QC, said in court that the Government would continue to place its contracts "in the public interest", but its warnings about sanctions in the electrical contracting industry had been unfortunately worded.

Legally binding deals will stand

Mr Clark, a Conservative MP, said it is defeated by a court of appeal. The Government's guidelines for companies that break the guidelines despite a qualification by the Attorney General in the Court of Appeal last night, and despite the possibility of defeat in the Commons on the issue tonight. Mr Sam Silkin, QC, said in court that the Government would continue to place its contracts "in the public interest", but its warnings about sanctions in the electrical contracting industry had been unfortunately worded.



Soviet troops scramble into tanks in Byelorussia in manoeuvres seen by western observers. P 6

Yuri Orlov to face more serious charges

Moscow, Feb 6.—The Soviet authorities, apparently unmoved by Western appeals, today disclosed that they were pressing more serious criminal charges against Dr Yuri Orlov, the defector human rights campaigner.

Dr Owen reminds EEC partners that Britain is an island

From Michael Hornsby, Brussels, Feb 6
Dr Owen, the Foreign Secretary, said in Brussels tonight that Britain should not be deterred from defending its own view of the EEC by the criticism of "purists who wish to preserve unchanged the attitudes and practices of the Community of Six and see the Nine as no different from the original Six."

Company to pay increase and union calls off strike

Nicholson-Lord, QC, the Attorney General, made a statement in the Court of Appeal yesterday to a committee of the House of Commons. He said that the Government's guidelines for companies that break the guidelines despite a qualification by the Attorney General in the Court of Appeal last night, and despite the possibility of defeat in the Commons on the issue tonight.

Bank calls for EEC trade boost

By Our Business News Staff
A call for joint European action to bring about non-inflationary expansion was made by Mr Gordon Richardson, the Governor of the Bank of England, last night.

Overseas students may be charged up to £5,000

By Diana Geddes, Education Correspondent
Overseas students may be required to pay tuition fees of up to £5,000 a year to study in Britain, a self-financing multi-million pound scheme for fees will be proposed in a government consultative document or Green Paper in the spring.

Elis admit sales to Ethiopians

The Israeli Foreign Minister, last night that Israel had sold 200 tons of wheat to Ethiopia. He told the Israeli Radio in Zurich that Israel had been maintaining friendly relations with Ethiopia since the 1940s.

Tories' four choices for Scotland

Four basic choices for the future government of Scotland have been described by Mr Francis Pym, opposition spokesman on devolution: the present system with a new select committee and stronger Scottish Government, an independent Scotland, a quasi-federal system, or a separate legislative assembly.

Cuts by Swan Hunter

After the loss of its share of the £115m Polish shipbuilding order, Swan Hunter is to make more than 1,100 boiler-makers redundant at its Tyneside yards. A political row is expected today over severance payments under the redundancy scheme being framed for the shipbuilding industry.

Fortnightly benefit

Fortnightly, instead of weekly, payment of unemployment benefit is likely to be recommended to the Secretary of State for Employment. A pilot scheme at selected unemployment benefit offices has shown preferences for such payment by claimants and staff alike.

Non-League side win

Blyth Spartans, a non-League side, beat Stoke City, of the second division, 2-2, to reach the fifth round of the FA Cup for the first time in the next round. Blyth meet Wrexham, who beat Newcastle, 4-1.

Letters: On Cristian unity, from the Bishop of Tisbury, and others; on immigrants, from Mr Guy Mayers, and others; on fighting in the Golan Heights, from Mr David Hamilton.

Features, pages 6 and 11
The editor, Sir Thomas More, a special correspondent asks 12 the end is in sight for the political refugee: David Watts on the latest clash between Egypt and Israel.

Arts: Peter Nichols on the background to *Private on Parade*; Stanley Reynolds on *The Seagull* (BBC 1); John Percival on the Covent Garden Royal Ballet; Paul Ovey on art examinations.

Obituary, page 16
Mr John Watson, a Mr L. M. Pugh, a special correspondent asks 12 the end is in sight for the political refugee: David Watts on the latest clash between Egypt and Israel.

Home News, pages 2-4
European News, 4, 5
Overseas News, 5, 6
Appointments, 16, 20
Arts, 16
Business, 17-22
Court, 26
Crossword, 26
Daily, 26
Engagements, 26
Features, 6, 14
Law Report, 18, 21
Letters, 15, 18
Obituary, 16

Parliament, 18
Premium Bonds, 16
Sale Room, 16
Science, 16
Services, 16
Snow report, 16
Sport, 8, 9
TV & Radio, 16
Theatres, etc, 6, 7
25 Years Ago, 16
Universities, 16
Weather, 18
Wills, 16

Mercury in London orange

A Jaffa orange poisoned with mercury has been discovered in London.
It was bought last week by Mrs Christine Chapman, of Durham Terrace, Fiddisdon, at Marks and Spencer, which is now using metal detectors to screen all Jaffa citrus fruit.

The Andes may be magnificent, but you'll never forget your first Arrara.

Take an Air France Welcome Tour to South America and you'll see a thousand memorable, famous sights. But the things that you'll never forget are the little, personal details. Like hearing your first Arrara bird. Plan an unforgettable holiday. 24 days from £895. Ask your Travel Agent for a copy of the Welcome Tour brochure. Or post the coupon.

SOUTH AMERICA

AIR FRANCE welcome tours

T 772

Air France, Dept. 211, 60 Bonhill Road, Brentford, Middlesex TW8 9JQ.
Importantly interested in the French Caribbean? South America? Mexico?
Gokopagos? Middle East? Indian Ocean? Concorde flights?

Name _____
Address _____

150 New Bond Street, London W1 (Reservations 01-499 9911, Ticket Office and Passenger Sales Dept. 01-499 6611, Manchester Reservations 061-632 7851).

HOME NEWS

Blacklisted haulage company to lose £10,000 Ministry of Defence contract after 30 years

By Donald Macintyre
Labour Reporter

A West Midlands road haulier on the Government's pay blacklist has been warned that his company will lose a Ministry of Defence contract worth between £10,000 and £12,000 a year. A request has been made to all ministries not to place new haulage business in areas where the pay guidelines have been broken by transport companies.

The Department of Transport has decreed that "until the commercial hauliers in breach of pay policy can be identified new government business should not be placed in any areas where excessive settlements have been made."

The company that stands to lose the Defence contract is T. Baker and Sons, of Tipton, West Midlands, a signatory to the 15 per cent settlement reached between the region's Road Haulage Association and the Transport and General Workers' Union.

Mr Frederick Baker, its managing director, said last night that he had been told after making telephone inquiries that the contract, which the company has held for 30 years, would not be renewed and had already been allocated to another business.

Mr Baker said that he had been warned by the Treasury about three weeks ago that he could face sanctions. He then

heard "in a roundabout way" that he might lose a contract for taking Army motor transport spares from Brierley Hill to Chelwell, in Nottinghamshire. He said that had been confirmed when he telephoned officials in Shrewsbury.

Mr Baker added: "It is only a minor part of our business, but it is surely unfair that we should be singled out for treatment when 800 other firms have made the same deal."

The Ministry of Defence did not comment last night on the case but referred to the general instruction from the Department of Transport.

Test case difficulties: An attempt by the Association of Scientific, Technical and Managerial Staffs to test the legitimacy of government sanctions against companies breaching the pay guidelines has run into difficulties (our Business News Staff writes).

The union said in December that it was examining the withdrawal of certain export guarantees from James Mackie and Son, of Belfast, which had refused to renegotiate a 22 per cent pay rise.

But the ASTMS inquiries have been impeded by an almost total lack of information. Union organizers complain that even their own members in the company are displaying a marked reluctance to give information on the matter.

In London meanwhile, the John Lewis Partnership is expected to approach counsel

towards the end of this week to seek an opinion on the legality of its being placed on the government blacklist. The partnership says that it was placed on the list for paying £1 a week above the voluntary limits last March to 500 of its 24,000 staff.

Sun Alliance and London Insurance is also likely to take further legal advice this week. The company has threatened to take court action if the Government proceeds with plans to force a reduction of its premiums.

The Confederation of British Industry, while reiterating that it is prepared to go to the Government in defence of any member company that asks it to do so over sanctions, is clearly embarrassed by developments.

On one hand, the CBI is disturbed by the fact that the sanctions appear to have no basis in law. On the other, it wants to see phase three of the pay policy succeed and would be reluctant to become associated with any move that could be a threat to restraint.

Film Transport Services, a north London company, denied last night that it was on a government blacklist. A representative said that it had been listed for a very short period last year during a hearing before the Central Arbitration Committee; but as soon as the committee gave its judgment the company was removed from the list.

Miners call for pay guideline to be easier

By Paul Routledge
Labour Editor

Miners' leaders will meet the Chancellor and senior Cabinet colleagues today to seek relaxation of the pay restraint guidelines for 250,000 pitmen. Their insistence on a more flexible approach coincides with increasing pressure from employers to end ministerial "blacklisting" of firms deemed to be in breach of the pay code.

Top officials of the National Union of Mineworkers are to have talks with Mr Healey, Mr Booth, Secretary of State for Employment, and Mr Benn, Secretary of State for Energy. They will then seek to enlist the aid of the TUC in efforts to gain more than the 10 per cent limit on wage rises allowed in the public sector.

Mr Joseph Gormley, president of the NUM, said last night that the miners would seek some relief from the straitjacket of 10 per cent and he criticized the Government for imposing tight restraints without the authority of law. A statutory policy would have been more honest.

That argument will be taken on to the TUC, and national officials of the miners' union will insist that they should be allowed to negotiate rises in excess of the Cabinet norm because the Government wants their industry to grow.

While the miners are arguing that they need more because they are worth more, the influential Engineering Employers' Federation yesterday said that secret ministerial blacklisting of companies judged to be in breach of the pay guidelines might scupper hopes of a fourth year of incomes policy.

Mr John Porter, the employers' director of industrial relations, said the Government's "very secretive, inept and underhand" system of sanctions against companies under pressure from unions to concede more than the 10 per cent limit might have far-reaching political implications.

"It is almost certain to make it impossible to secure the sort of support from employers like ourselves in any further round of pay policy that depends on the co-operation of employers rather than the union," he said.

As political pressure built up in the Commons, the traditionally moderate electricians' union added to it with letters to MPs last night protesting at the Department of Employment's intervention in an agreement for 35,000 white-collar stars in the electrical contracting, heating and plumbing industries.



Miss Penelope Keith, aged 32, the actress, who married Mr Rodney Timson, aged 33, a detective in Sussex, at Wandsworth, London, yesterday. They intend to fly to New York today.

Alternative left-wing Labour Budget proposes £4,000m a year reflation

By Our Political Editor

A draft left-wing Labour Party Budget to reflate by £4,000m in a full year, which is much more than is under consideration for publication later this month against the Government's wishes.

The document proposes large increases in public expenditure to meet an annual growth rate of 4½ per cent for the next three years, which again is far above what the Treasury believes possible. The "alternative" Budget aims to halve unemployment by 1981.

The confidential first draft of the 42-page research document was being circulated among MPs last night for amendments after a defeat for ministers and party moderates at a meeting of the party's home policy committee.

The proposed publication ahead of the official Budget would be an unwelcome irritation to Mr Healey; and disclosure of the document is possibly an attempt to show up the weakness of the left wing. The home policy committee is meeting next Monday to consider asking the party's national executive committee to publish it.

Among the document's indiscretions is a brazen reference to the Government's use of the "blacklist" against companies

not adhering to present pay guidelines. The party's research department authors would propose using similar sticks (and carrots) to enforce "planning agreements" on Britain's top 100 enterprises.

The document recognizes that given the Government's minority situation, that cannot be done in Parliament, so for public purchasing, it continues: "A blacklist of large firms unwilling to cooperate in planning could be drawn up, as is already done without the force of law to back the pay code."

So much for the stick. The carrot would be: "Conversely a preference list of companies who had negotiated agreements could be operated."

The document's recommendations include raising the National Enterprise Board's borrowing limit to £1,000m next year; extension of the temporary employment subsidy for a further year; import controls if necessary, and singling out Japan with a diplomatic ultimatum to open its home markets or face restrictions on exports.

Also suggested are increases in child benefits and pensions beyond those proposed by the Government; increases in spending on housing, education and the health service, such as reintroducing free milk for those aged 7 to 11; income tax

concessions by means of increased personal allowances, raising minimum thresholds, and lowering maxima. The document opposes lowering the basic rate of income tax which is believed to be what Mr Healey is considering.

"No vote winner": Mr Healey's "forthcoming give-away Budget" cannot possibly be a vote winner, according to Mr Norman Atkinson, the Tribune's treasurer of the Labour Party.

Using arguments normally in the Tory preserve, he states that the proposed tax changes "are more likely to undermine the shortfall in living standards in recent times."

The give-away aspects of Healey's spring Budget are bound to be far less than the £3,000m necessary if the phase three 10 per cent wage ceiling is to be made up to offset price increases during the same period.

Mr Atkinson, MP for Haverley, Gloucestershire, points out in the February issue of the *Journal of the Amalgamated Union of Engineering Workers* (engineering section) that a "second irritation" will be the replacement of child allowances by child benefit payments. Mothers will be pleased, but Britain's male chauvinists may not share the enthusiasm. The rake-home pay of the average family man will be reduced, Mr Atkinson writes.

£180,000 of gold dust vanishes at airport

By Stewart Tandler
Crime Reporter

A consignment of gold insured for £180,000 has disappeared from Heathrow airport, London, after being loaded and stored in a cargo warehouse instead of being flown.

The gold, destined for a known company of brokers in London, was Britain's Rutenburg Plac Mines in South Africa. The two boxes, weighing 59 kilograms, arrived on a South African Airways flight on January 26 and were transferred to British Airways cargo centre.

Until last Friday it thought that the dust, worth 98 per cent pure gold, awaiting customs clearance when it was missed. The area was searched. The big brown dust was packed in these containers inside board boxes.

Valuable cargoes, such as dust, are sometimes escorted flights and then placed strong room until collected. It was not until the flight, it was understood, and booked into the warehouse, but there was dispute last night why it not kept in a secure place.

British Airways said: "I placed cargo in a secure place. It was not labelled as a cargo, but if we had it was then it would have been placed in a secure area."

Tyler and Co, the City adjusters, who are offered reward of a tenth of the value, said the warehouse had asked for strong security, and the sides of boxes should have been labelled identifying the consignment. The description issued by the airport for the consignment mentioned an airways label.

Shop steward wins against union executive

A left-wing shop steward won in the High Court yesterday the right to seek a full-time job as a full-time official.

The executive of the Amalgamated Union of Engineering Workers had disqualified Michael Rice, aged 28, a steward, from contesting election for the new post, Birmingham South constituency.

Mr Justice Chapman, Birmingham, revoked the after a two-hour legal argument over the meaning of union rules.

Mr Rice, a steward at Lucas factory at Acocks Green, Birmingham, was barred because he had not been a member in the new district for a year before the election. He successfully contested the union rules, stating the candidate need only "work in the area for time."

Architect charged

Mr James Phillip, 64, will face a charge of "dishonesty" after a hearing of the disciplinary committee of the Architects' Registration Council April 18.

Mr Lomas was head of firm of architects that designed the Summerland leisure centre at Douglas, Isle of Man, which burnt down in 1973.

Pay award delays criticized

Continued from page 1

pay agreement as well as mistaken arithmetic, and said the dispute had led to the first official strike in the industry for 16 years.

The award provides for a basic rate increase of about 8 per cent together with provision for a self-financing productivity scheme or a "fall-back" increase in hourly rates where no productivity scheme is introduced.

The association said last night that the award had been agreed by the joint bodies representing both sides of the industry on November 15 and forwarded to the Department of Employment for monitoring.

It was provisionally approved, subject to assurances about the fall-back scheme, and on December 16 was published automatically becoming part of workers' contracts of employment.

However, on December 22 the department reversed its approval and wrote to the joint

board stating that companies paying the fall-back bonuses would be in jeopardy of government "discretionary measures".

The letter was received on the eve of the industry's winter weeks holiday, an association representative said. The men returned to work after Christmas to find that the increase had been suspended.

Mr Sillkin said yesterday that the costings of the fall-back bonus scheme were made available to the department on December 21. Officials immediately had doubts whether the board's assurances could be fulfilled.

By last Friday unofficial action against the suspension of the full increase had led to about 10,000 men in the industry refusing to work. The union then called for a selective strike against three companies, Holiday Inn, Hayden Youngs and Lilleker's, to start from Friday.

The association added that the agreement would fall within

government guidelines if taken over a full year. The department, it said, had insisted on regarding the first day of its operation as the test of its permissibility.

The union has taken the view that the joint board agreement was binding.

Yesterday both Holiday Inn and the association were refused meetings with the Department of Employment to clarify the position. The association is sending a circular to its 2,300 member companies citing Mr Sillkin's statement and advising them to pay the award immediately.

About three quarters of Holiday Inn's £30m business is in contracts for central and local government and public bodies. The Department of Employment said last night that it could not give a minority of the agreement more quickly because of the complicated issues involved.

Parliamentary report, page 10
Law Report, page 11

Tanker drivers' ban shuts 70 Scottish schools

Seventy schools in Strathclyde were closed yesterday because of a shortage of heating fuel as a result of the tanker drivers' overtime ban. A regional council official said 96 would be closed today.

Most of the schools are in Glasgow. The Motor Agents' Association gave a warning yesterday that many garages would go out of business because of a new maximum petrol price limit imposed by tanker drivers in the Midlands.

The 1,300 drivers imposed a limit of 82p a gallon for four-star petrol last week to stop profiteering. But from yesterday they set the limit at 78p and threatened to black any garages that charge more.

Mr Robert Pearson, manager of the association's petrol retailing department, said: "There is a 30 to 40 per cent shortfall in deliveries, so garages are going to have that much less to sell."

The Automobile Association said that while there was no general shortage of petrol garages were running out of particular grades, mainly four star, for short periods.

Firemen call for emergency meeting after court ruling

By Robert Parker

London firemen have called for an emergency meeting of the full council of the Fire Brigades Union to discuss a decision by the Court of Appeal yesterday that Mr Peter Darby, chief fire officer of London, was justified in suspending without pay six firemen convicted of theft.

Many London firemen have demanded industrial action in connection with the case.

They feel the suspension took no regard of dismissal procedures laid down in a national agreement which has been operating for 30 years. Under that agreement, they argue, men should be suspended on full pay while their cases are heard.

Mr John Lewis, senior London executive member of the union, said after the court meeting: "This decision throws into doubt the validity of the national joint council agreement."

The case heard at the Court of Appeal involved Mr Alan

Firemen call for emergency meeting after court ruling

Edwards, one of six London firemen fined for stealing from the Seabrope Company, where they were working as relief firemen during the recent strike.

When they returned to work on January 16 after the end of the strike, they found notices from Mr Darby and Mr Geoffrey Lane, London Council threatening them with dismissal. Mr Edwards, on behalf of the other men, and supported by the union, sought an injunction against the GLC and Mr Darby to block that move.

The injunction was not granted. Yesterday's hearing was an appeal against that decision. Mr Peter Weitzman, QC, for Mr Edwards, said his client was entitled to be dealt with under the agreement's provisions on discipline as a member of established practice and because of the agreement between the London Fire Brigade and the union.

But Lord Denning, Lord Justice Ormrod and Lord Justice Geoffrey Lane said the correct interpretation was that out of line with the way the agreement has been worked.

The case heard at the Court of Appeal involved Mr Alan



Mrs Yvonne Kathleen Ann Jones who battled with police officers trying to take her fingerprints after a trivial driving incident, was declared innocent of assault, driving and damage offences by the Court of Appeal in London yesterday. Mrs Jones, aged 44, of Richmond Road, Kingston upon Thames, who was sentenced at Kingston Crown Court on February 25 last year, had her convictions quashed and sentence set aside.

Mr Justice Peter Pain, sitting with Lord Justice Shaw and Mr Justice Maise, said she was right to resist fingerprinting forcibly in September, 1976.

Law Report, page 10

Two elect trial on race hate charge

Michael Cole, aged 41, of Chester Road, East Shornton, Clwyd, and George Jones, aged 32, of Southborough Terrace, Llanfair, Salford, members of the British Movement, elected to go for trial on two charges at Llanfair Magistrates' Court yesterday. They were formally committed on bail to Warwick Crown Court.

They were charged with using abusive or insulting words likely to stir up racial hatred and using threatening abusive or insulting words likely to cause a breach of the peace.

Mr William Wells, chairman of the tribunal, asked Mr Gordon what the duty was of an editor who found it difficult to establish a working relationship with a distinguished columnist of long standing.

He replied that the columnist should be told that his talents might be more usefully employed elsewhere.

Mr John Jones, the newspaper's managing editor, described the different editorial styles of Sir Gordon and Mr Fisher. Mr Fisher was a "shirt-sleeve" editor. He could talk to journalists about anything from the money supply to the football results. Sir Gordon had considerable diplomatic gifts.

The hearing continues today.

Teacher found guilty of plot to supply LSD

Martin Annable's double life as a respectable schoolteacher who was also the cashier of a world-wide drug network ended at Bristol Crown Court yesterday when he was convicted of conspiring to supply LSD to a drug ring described by Mr Justice Park as a vast enterprise whose sales network stretched from this country to foreign parts.

Mr Annable, aged 29, of Radnor Gardens, Twickenham, London, who taught English at a west London girls' school, was found guilty by a majority of 11 to one. The judge remanded him in custody to a date to be fixed when he will be sentenced with other defendants.

The judge said large sums were needed to buy the basic chemicals, which had to be shipped from Basel, Switzerland, and a house, which had to be equipped as a laboratory.

"There is evidence that well over 90 per cent of LSD seized in Britain had come from Seymour Road", a house at Hampton Wick, London.

Mr Annable, but originally been in the dock with three other people, two women and a man, but they changed their pleas during the trial and the judge said he would deal with them later.

Mr Annable's double life as a respectable schoolteacher who was also the cashier of a world-wide drug network ended at Bristol Crown Court yesterday when he was convicted of conspiring to supply LSD to a drug ring described by Mr Justice Park as a vast enterprise whose sales network stretched from this country to foreign parts.

Former Speaker and wife ill

Lord Maybray-King, aged 76, a former Speaker of the House of Commons, and his wife, who is 71, are suffering from pneumonia.

Lady Maybray-King is in hospital, but her husband is being looked after at his Southampton home by his daughter.

Theatre daubed

Large amounts of paint were daubed over windows, doors and walls at the National Theatre, on the South Bank, London, early yesterday morning in what was apparently a protest about the running of the arts.

Sir Gordon said that if an article by Mr Tether needed to be cut he would cut it. If he thought the language went "a bit too far" he might tone it down. Sometimes, when he cut the column drastically, he would receive a note of complaint. But Mr Tether was not the only journalist who occasionally complained.

Sir Gordon said he might have spoken a few times to Mr Tether about the subject matter of the column, but he would not be a subject. Sir Tether

Former Speaker and wife ill

Lord Maybray-King, aged 76, a former Speaker of the House of Commons, and his wife, who is 71, are suffering from pneumonia.

Lady Maybray-King is in hospital, but her husband is being looked after at his Southampton home by his daughter.

Theatre daubed

Large amounts of paint were daubed over windows, doors and walls at the National Theatre, on the South Bank, London, early yesterday morning in what was apparently a protest about the running of the arts.

Sir Gordon said that if an article by Mr Tether needed to be cut he would cut it. If he thought the language went "a bit too far" he might tone it down. Sometimes, when he cut the column drastically, he would receive a note of complaint. But Mr Tether was not the only journalist who occasionally complained.

Sir Gordon said he might have spoken a few times to Mr Tether about the subject matter of the column, but he would not be a subject. Sir Tether

Tory group pushes electoral reform

By Fred Emery
Political Editor

A call for the Conservative Party to commit itself more strongly to electoral reform, well before the next general election, was made yesterday by the unofficial party group working for proportional representation.

Conservative Action for Electoral Reform published a pamphlet entitled *The Conservative's Choice*, the point being that such a conference is all the Conservative Party is at present committed to.

The pamphlet softens its conclusion by welcoming the party's commitment to the Speaker's conference as being

better than nothing. But it sets out tough conditions to improve the proceedings. It proposes that selection of co-opted members should be left genuinely to the Speaker, rather than choosing party "place-men", as in the past.

It wants the conferences to sit in public, with proceedings fully published; and the government of the day to give an advance undertaking to support a Bill after the conference's resolutions.

Introducing the pamphlet, Sir Nigel Fisher, vice-president of the group and MP for Kingston upon Thames, Surrey, argued that a form of proportional representation favours the alternative member

system could insure against extremes. It would, he said, "disb Mr Wedgwood Benn" as well as the extreme right.

He recognized, as do all the group's 31 MP members, that Mrs Thatcher opposes such reform, even though, apparently, she has not said so in public.

The group's strategy is the "drip, drip process", Mr John Rathbone, MP for Lewes, said. His amendment proposing the alternative member system for the European Assembly elections is now to be put in the House of Lords, where it has a chance of insertion in the Bill, if not of eventual retention by the House of Commons.

Labour planning to set up factories groups

By Our Political Editor

Labour Party groups are to be set up in factories in a national campaign for the next election, the party's organization committee decided yesterday. They will stimulate party supporters' activity, and all units of party organization are being asked to encourage the establishment of the groups.

Since Labour's local party organizations have become run down and tiny and clishiv in many parts of the country the idea is to try to revive party feeling among the many industrial workers who pay the "political levy" to the party in their union dues, often without realizing it. As it is, the unions dominate the party through the influence of the block vote based on the levy.

What employers and unions might feel about having political parties on the shop floor is not clear: nor is it clear whether yesterday's party meeting discussed it.

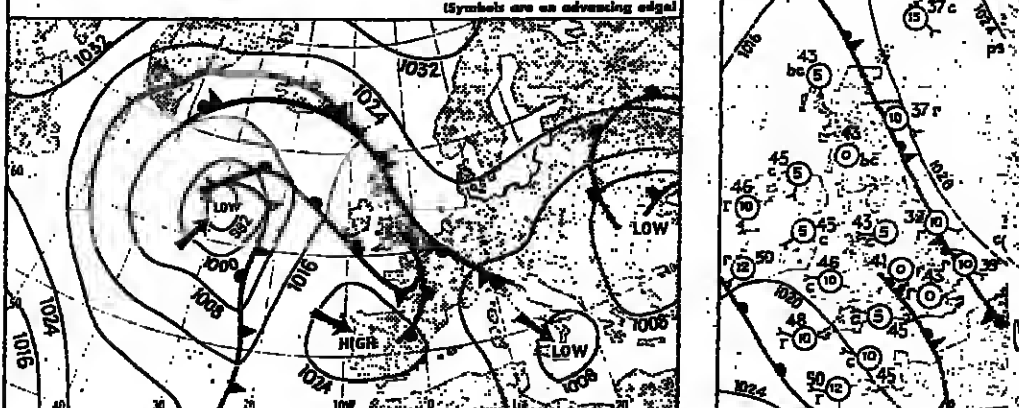
The new party committee considering organizational revision is being asked to examine whether the factory groups can be given full franchise status, affiliated to constituency parties, and authorized to send delegates to management committees.

The committee also decided to ask the party's national executive committee to send two MPs to the Channel Islands to report on what is called the "general system there". Mr Ronald Hayward, the party's general secretary, disclosed that for some years he had been under pressure from Labour supporters in the islands to stimulate reform of the "tax baron" status.

A party research document setting out proposals such as integration of the islands in the United Kingdom taxation system, and ending the tax given at a stroke, was considered by the committee.

Weather forecast and recordings

NOON TODAY Pressure is shown in millibars FRONTS (Symbols are an advancing edge)



Today Sun rises: 7.30 am. Moon sets: 7.0 am. Moon rises: 2.34 pm. Sun sets: 5.0 pm. Moon sets: 5.16 pm.

Lighting up: 5.30 pm to 6.38 am. High water: London Bridge, 1.12 am. Low water: London Bridge, 7.11 am. (22.4ft). Avonmouth, 6.36 am. (22.3ft). Dover, 10.37 am. (22.1ft). Hull, 5.47 am. (24.1ft). Liverpool, 7.6m. (24.9ft). London, 10.51 am. (21.8ft). 11.20 pm. (21.2ft).

Troughs of low pressure will move slowly over the British Isles. Forecast for 6 am to midnight: London, Midlands, SE, central N and central S England: Rather cloudy, occasional rain, bright intervals in places: wind variable light; max temp 7°C (45°F).

East Anglia, E England: Mostly cloudy, rain at times; wind light, becoming E; max temp 5°C (41°F). S.W. England, S Wales, Channel Islands: Rain in places at first, bright or sunny intervals developing; wind W to NW light or moderate; max temp 8-9°C (46-48°F).

Lake District, NW England, N Wales: Rather cloudy, rain in places, bright intervals developing; wind variable, light; max temp 7°C (45°F). Borders, NE England, Edinburgh, Dundee, Aberdeen, Central Highlands, Moray Firth: Cloudy, rain at times, some snow, especially on hills; wind variable or SE, light; max temp 4°C (39°F).

Glasgow, Argyll, NW and SW Scotland: N Ireland: Cloudy, rain in places, bright or sunny intervals developing; wind variable or SW, light; max temp 7-8°C (45-46°F).

NE Scotland, Orkney, Shetland: Cloudy, rain at times, some snow, especially on hills; wind SE, moderate or fresh; max temp 3°C (37°F).

Outlook for tomorrow and Thursday: Becoming colder, fair; rain, sun, sleet, snow.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; d, drizzle; f, fair; r, rain; s, sleet; sn, snow.

Overseas selling prices: Australia, 100/100; Canada, 100/100; Hong Kong, 100/100; India, 100/100; Japan, 100/100; New Zealand, 100/100; South Africa, 100/100; Switzerland, 100/100; USA, 100/100.

Gold and silver prices: Gold, 100/100; Silver, 100/100.

HOME NEWS

Mr Pym outlines four basic ways to improve government of Scotland within framework of UK

Ronald Faux, a member of the Scottish National Party, said today that the Government's proposals for the future of Scotland were "battered and confused".

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on

the Scottish National Party challenge.

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on

the Scottish National Party challenge.

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on

the Scottish National Party challenge.

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on

the Scottish National Party challenge.

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on

the Scottish National Party challenge.

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on

the Scottish National Party challenge.

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on

the Scottish National Party challenge.

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on

the Scottish National Party challenge.

Mr Pym said the public was bewildered and confused. There were growing signs of doubt and anxiety in Scotland about the Government's proposals.

Turning to the four options open for the future government of Scotland, Mr Pym said the status quo had been less than ideal, but it had worked well and largely in the interests of Scotland. United Kingdom resources had been distributed purely on the basis of need. As a result, Scotland had received about £500m more a year than it would have received if it had been a separate country. At the same time, Scots had paid less in taxes, and the discrepancy had been accepted by the rest of the United Kingdom.

Was it likely that such an uneven distribution of resources would continue? Mr Pym was asked in quite specific terms to Scotland and lost all influence on how it was spent?

He believed that some of the pressure for change had arisen because of the fact that Scotland had not changed enough and because Parliament was not working as it should. The existing system for Scotland could be developed without removing the advantages of a single parliament, and Mr Pym suggested a select committee of Scottish MPs with powers to investigate and propose new policies on matters affecting Scotland.

He said also that the Scottish Grand Committee could take up a number of questions and debates. That would make ministers more accountable and provide a greater opportunity for Scottish business to be discussed. The advantages, he admitted, were not great, but they were a burden would be placed on Scottish MPs and many Scots would still feel that they needed a body in Scotland to speak for them.

The second option was an independent assembly that would ease the pressure on



Work in progress uncovering the arched foundations at the palace.

Brick foundations of Henry VIII's Palace of Bridewell discovered on building site near the Thames

By Philip Howard

Massive brick foundations of Henry VIII's Palace of Bridewell have been discovered on a building site between Fleet Street and the Thames. They are going to fill in gaps in the knowledge of this historic building and the historic corner of the City where the Fleet runs into the Thames.

The earliest known inhabitants of Bridewell were the Knights Templar by 1161. Cardinal Wolsey bought the site, and pruned it to its present form. Henry VIII completed Bridewell by 1523 at a cost of £25,000.

Before it was washed away by the river, the site was a large Tudor palace. It was built of brick with stone dressings and octagonal stair towers. The site is now under a modern building, but the foundations are being uncovered by the help of machinery lent by the developers, Haslemere Estates.

Because of the boggy site, Bridewell seems to have been raised on wooden piles and

ready for the state visit of Charles V, the Holy Roman Emperor.

A special bridge was built across the Fleet and through the city wall to link the palace with the monastery where Charles was staying.

Surprisingly little is known about Bridewell. John Stow described it as a stately and beautiful. A partial survey shows that it consisted of a great hall, chapel, and three long galleries around three courtyards, the southernmost facing the Thames. It was built of brick with stone dressings and octagonal stair towers. The site is now under a modern building, but the foundations are being uncovered by the help of machinery lent by the developers, Haslemere Estates.

Because of the boggy site, Bridewell seems to have been raised on wooden piles and

huge brick arches above the mud.

Its foundations were so solid that the modern developers may be able to use them. The palace was a crossroads of two architectural epochs: the arch, which was the heart of medieval architecture, met the brick which Henry VIII introduced and made fashionable in his 13 great palaces.

We seem to have found the east wing of the main courtyard. There are puzzles about it, which further excavation for the next five weeks may answer.

For instance, two very large Tudor walls bound with different mortars lie within a yard of each other. Then there is an odd series of cross walls close together.

There should be an arched gateway leading to the chapel courtyard which is now under New Bridge Street. The black

mud at the base of the arches is full of freshwater snails, confirming the theory that the Bridewell was raised out of river land.

Henry soon moved out of his new palace. Perhaps the stink from the Fleet, always a main sewer, was too much for him. In any case, by hook and by crook he had acquired bigger palaces at Hampton Court and Whitehall. Edward VI gave Bridewell to the city as a workhouse.

It was burned almost to the ground in the Great Fire, and later rebuilt. By 1853 the workhouse had moved elsewhere, and Victorian buildings were raised upon the old foundations. Now the department of urban archaeology of the Museum of London under its chief archaeologist, Mr Brian Hobley, and an field officer, Mr John Schofield, has rescued from oblivion a good part of the most elusive of Tudor palaces.

Implementation of the cuts in expenditure recommended by the Government last year would reduce conditions in penal establishments to a level intolerable for inmates, staff and management, and unacceptable to Parliament and society.

They support the greater use of non-custodial penalties and bail to reduce the present custodial population.

The governors are concerned that the prison service accommodates without charge three groups who are the responsibility of other services.

There are those convicted under the age of 17, who are meant to be the responsibility of local authorities, an increasing number of people awaiting deportation who are held in ordinary prisons for the immigration service; and an unknown number of psychiatric patients in prisons who are properly the concern of the National Health Service.

3C Radio sales to expanded

Immediate expansion of Radio Wales will take place autumn when Radio 4 to the long wave, Mr Trefor Evans, Director of the BBC, said in last night.

because Wales is the difficult part of the Kingdom to serve with radio, and because there shortage of finance and staff, it is unlikely ever the additional television that would keep it in the one step ahead of the United Kingdom.

Trefor Evans said the Radio development would be a year later by the end of Radio Cymru.

"at you will have then", he said, "will be two all-Wales programmes, and in addition, instead of Radio 4."

It remained to be done: said to be found of improvement throughout because there would still be in VHF coverage even in opening up two new radio Cymru transmitters next few weeks, bringing twice to an additional listeners in parts of Wales and the old Carmarthen.

would still be gaps in wave coverage, particularly at night.

Trefor Evans added: "The intent of Radio Wales as a Cymru as all-Wales must be our first. We cannot concentrate on the three or four in Wales where radio on the English would be appropriate."

planned eventually to both Radio Wales and Cymru for limited of the day so that local particular communities be broadcast.

Guardsman gets 'life' for murder of widow

From Our Correspondent Nottingham

Guardsman Andrew Nicholson, aged 22, on leave from Northern Ireland, decided to use his army training to rob a widow's home, it was stated at Nottingham Crown Court yesterday. He treated the crime exactly like a night exercise, by wearing combat gear and sneaking his face with cream and boot polish.

After crawling to the house on all fours, "just like a leopard", he was disturbed by a dog and he searched for her handbag. Then, it was added, he struck out with a kitchen knife.

Mrs Gladys Todd, aged 56, of

Runswick Drive, Arnold, Nottingham, was found dead two days later. She had knife wounds on her neck, head injuries and had been strangled with a cardigan.

Guardsman Nicholson was jailed by Mr Justice Stephen Brown for life for murder.

Mr Dennis Barker, QC, for the prosecution, said inquiries led the police to the defendant's home at Leifers Avenue, Arnold.

Guardsman Nicholson had told detectives: "I did not go there intending to kill her. It became an army exercise. She was trapped and she recognized me. The knife was by my side and it must have been my army training and instinct."

Accident proved efficiency of self-righting boat

An investigation by the Royal National Lifeboat Institution into an accident on Christmas Eve when the lifeboat from Kilmore Quay, Co Wexford, capsized twice, but righted itself twice, has provided conclusive evidence of the merits of the design of the new boat, the institution said yesterday.

The capsized, in which one man died, was the first on service of one of the institution's modern self-righting boats.

The boat, Lady Murray, was built in 1972 and is one of 26 of the 37ft Oakley self-righting class in the institution's fleet. That type of boat uses a transfer of water ballast to right itself.

After the disaster in 1970, when all except one of the crew of the Fraserburgh lifeboat died, the institution undertook a large reconstruction programme. Its aim is to have all offshore lifeboats self-righting by 1980.

Students' union wants bigger teacher force

The National Union of Students will put in the Government today a programme aimed at improving schools, saving teachers' jobs and helping jobless young people. It proposes the abolition of all classes of more than 30 by 1981 and a bigger teacher force.

The union is to ask Mrs Williams, Secretary of State for Education and Science, to spend an extra £70m over the next two years to take on an additional 20,000 teachers each year and to introduce in 1979 a new phased programme for a million new places in schools and colleges to meet the education and training needs of workers between 16 and 19, including unemployed school leavers.

It will urge Mrs Williams to reconsider her department's policy on teacher training and numbers "if a crisis is to be avoided in the 1980s".

Steep rise in cases of malaria

By John Roper

Health Services Correspondent

Cases of malaria, influenza, food poisoning and other ailments in England and Wales all increased in 1977 the latest government statistics, published today, show.

In the 1960s indications of malaria averaged about a hundred a year; the figure in 1976 was 1,162.

In recent weeks medical journals have suggested that general practitioners should consider the disease as a possible differential diagnosis.

Many more people are going abroad for holidays and do not all take necessary precautions against malaria. The main source of infection is the Indian subcontinent, according to the report.

The report says deaths from influenza appear to reach a peak after mid-February. Food poisoning, which increased every year for 1 years, was higher again in 1977, with 9,051 notifications. The highest number break involved potatoes. It began in the West Midlands but spread widely because of a national athletics being attended by children and teachers from the infected areas.

Statistics of Infectious Diseases, 1976 (Stationery Office, £1.75).

Pay award for Boots staff

Eight hundred scientific staff employed by Boots have been awarded pay increases of between 15 and 25 per cent by the Central Arbitration Committee, after an application by the Association of Scientific, Technical and Managerial Staffs.

The committee said that the company was paying its scientific staff less than other employers in the industry. The increases will be backdated to January 1, 1977.

PC may lose job over assault

Michael Hughes, aged 21, a policeman, who was said to have taken the law to his own hands, may lose his job as a result, York magistrates said yesterday.

Pc Hughes, while serving at Garsforth, West Yorkshire, was fined £10 and ordered to pay £45 costs for assaulting a man whom he suspected of knowing about a theft from his motor cycle.

Two supporters fined £250

Two men arrested during the Scottish Cup tie between Arbroath and Moray at Coatbridge, Strathclyde on Sunday were each fined £20 at Airdrie Sheriff Court yesterday.

John Gallacher, aged 24, of Rosepark Cottage, Coatbridge, and Hugh Hampson, aged 18, of Bauff Road, Greenock, admitted disorderly behaviour and engaging in a fight on the terraces.

Dog thrown off line

Berfordshire police started a search yesterday for a man who was seen to throw a dog from the railway bridge at Julians Road, Stevenage, Berfordshire, into the path of an express train.

Jail staff 'raise more issues than prisoners'

By a Staff Reporter

Prison staff now probably present more difficulties than prisoners, the prison and borstal governors' branch of the Society of Civil and Public Servants says yesterday in evidence published yesterday, to the House of Commons Select Committee's inquiry into the administration of the prison service.

The governors say that over the past six years staff difficulties have multiplied and led to many cases of industrial action. An actual reduction in take-home pay for many prison officers, as a result of big cuts in staff overtime, is deeply resented. Industrial action brings a new dimension to the management of prisons, which, unlike factories, cannot be shut during a dispute.

They point out that many governors take home less pay than junior officers. They call for differentials to be restored and for governors to be given parity with prison officers in respect of weekend premiums, shift disturbance allowance and London weighting.

Implementation of the cuts in expenditure recommended by the Government last year would reduce conditions in penal establishments to a level intolerable for inmates, staff and management, and unacceptable to Parliament and society.

They support the greater use of non-custodial penalties and bail to reduce the present custodial population.

The governors are concerned that the prison service accommodates without charge three groups who are the responsibility of other services.

There are those convicted under the age of 17, who are meant to be the responsibility of local authorities, an increasing number of people awaiting deportation who are held in ordinary prisons for the immigration service; and an unknown number of psychiatric patients in prisons who are properly the concern of the National Health Service.



New! Maple Leaf Special Fares

from Air Canada

£134

London-Toronto return from

Seats on scheduled daily flights to Canada for little more than the price of a cheap charter!

crisis that threatens a millenium

of the 60,000 residents of the Isle of Man, the island's preparations for the millennium celebration next year they do not think they can bear that accompanied by constitutional crisis.

owe the judges from Queen Court of Human have declined to visit before pronouncing on whether the decision against the decision of the island government will the British Government to enforce it.

reat is not preventing us to mark the anniversary of 1,000 a continuous demonstration on July 5.

th the precise date is and the decade has been challenged by some community leaders re is enough evidence "Court of the Suds" y some exceptional ones which, they hope, world-wide interest extra tourists.

ar the relations with Kingdom government, then, there will be no with the Crown and hopes that the occasion be graced by royalty.

Regional report

John Chartres Douglas, Isle of Man

preferably arriving in the royal yacht.

Mr Charles Kerruish, Speaker of the House of Keys, is one of many political figures who think the millennium celebration should have a strongly nautical flavour throughout, to commemorate a community with so many associations with the sea, as the residence historically of such figures as the Christian family and Sir William Hillary, founder of the Royal National Lifeboat Institution. A tall ship race or rally has been proposed.

After several disappointing tourist seasons, contributed to by fare increases and the decline in mainland spending power, there is intense interest in the recent arrangement by the Irish Government to sell duty-free tobacco and alcohol on aircraft and ferries between the republic and Britain.

Technical discussions are being conducted with a view to

increasing duty-free concessions on services between Ireland and the Isle of Man, possibly by this summer. Similar concessions between the Isle of Man and Britain will take longer to arrange (they have been under discussion for years and usually rejected in the past on the grounds of administrative costs) but the Irish move is seen as an important breakthrough.

A detailed study 18 months ago that recommended that the Isle of Man should break away from the United Kingdom customs and excise system, still lies before a select committee of the Tynwald Government.

Mr Kerruish favours changing the constitution so that the island would be absolutely responsible for all internal affairs instead of leaving Westminster responsible for a "good government" in the Isle of Man.

There is considerable optimism, however, in the tourist industry over prospects for the next five years. To more than 1,000 hotel and boarding house proprietors the visions of "duty free" on the boats and planes, the millenium and perhaps some worldwide reporting of an intriguing constitutional clash seem to add up to the best publicity prospects they have seen since the island's setback resulting from the Summerland fire disaster.

Reserved seats on daily flights!

Your flight is part of Air Canada's regular scheduled service. You can travel when you wish, and you get the full treatment the Air Canadians give to regular fire passengers. What's more, all flights out of London leave from Heathrow.

Fly to 8 Canadian destinations!

Maple Leaf Fares, available from April 1st:

Gander	£116
Halifax	£128
Montreal	£130
Toronto	£134
Winnipeg	£174
Edmonton	£182
Calgary	£182
Vancouver	£184

Examples shown are low-season return fares, including a midweek discount - £5 off the return fare if you go and come back midweek. And fares from Prestwick are even less. Maple Leaf Fares give you more destinations than any charter company.

Stay 14 to 60 days!

Maple Leaf Fares let you plan your visit the way you want. You can stay for as little as a fortnight, or any number of days up to two months. Charters tell you when to go and when to come back.

Two supporters fined £250

Two men arrested during the Scottish Cup tie between Arbroath and Moray at Coatbridge, Strathclyde on Sunday were each fined £20 at Airdrie Sheriff Court yesterday.

Dog thrown off line

Berfordshire police started a search yesterday for a man who was seen to throw a dog from the railway bridge at Julians Road, Stevenage, Berfordshire, into the path of an express train.

Booking and full payment must be made not less than 30 days before departure. If you book more than 30 days in advance, a £20 non-refundable deposit is payable, with the balance due 30 days before departure.

Ask your travel agent for full details of Maple Leaf Fares. They'll be pleased to help. Or clip the coupon and send it to the Air Canadians.

Telephone: 01-759 2636 (London), 041-332 1511 (Glasgow).

To: Air Canada, 140 Regent St, London W1, or 50 Sauchiehall St, Glasgow G2 3AG.

Please send me full details of your Maple Leaf Special Fares in Canada.

NAME _____

ADDRESS _____

ML26

AIR CANADA

HOME NEWS

Court gave bail to man now sought by police

Sidney Noble, aged 49, named by the police as the man they want to interview in their inquiries into robberies from at least 50 elderly women throughout Britain, was at one time in the hands of the police at Derby but was allowed bail by a judge at the Crown Court, it was disclosed yesterday.

Mr Noble appeared before Derby magistrates on September 23, last year, and was sent for trial, in custody, to Derby Crown Court. He told the judge at the Crown Court that he needed more time for his defence, and was granted bail.

He never answered to his bail and a warrant was issued for his arrest. In Derby, he faced charges of deception and burglary and theft. In one of the cases, it was said, he had pretended to be a doctor.

A Manchester doctor has given the police a valuable lead in the search for Mr Noble, the so-called Dr Death. On Saturday the doctor gave a man resembling the wanted man a 25-mile lift in his car from Conwy, Gwynedd, to Holywell, Clwyd. The man was carrying a suitcase.

Det Chief Supt Eric Evans, head of North Wales CID, said yesterday: "When the passenger found out the driver was a doctor he said he knew two doctors. He mentioned their names; and both of them have been used by 'Dr Death' during his frauds. There seems a very strong suggestion that the passenger was 'Dr Death'."

The real doctor told the police on Saturday night. On Sunday, when he saw the photograph of the wanted man in newspapers, he said it was similar to the man he had picked up. Detectives throughout North Wales were trying yesterday to trace the man.

Northampton police said yesterday that the man being sought lodged in the town for a few days last month, and while there tricked women of more than £1,000.

Devon and Cornwall police urged elderly people yesterday to keep their doors locked and to photograph the man the police want to interview.

Det Supt Eric Rundle, acting head of Devon and Cornwall CID, said: "If you have an elderly neighbour or relative cut the picture out of your paper and give it to them to keep in a prominent place. If a stranger calls they can compare him with the photograph. It could prevent a tragedy."

Warning that cold may kill 45,000 old people

Help the Aged is calling for a six-point plan to help to prevent the deaths of at least 45,000 old people at risk from the cold this winter. In pamphlet, *Death in Winter*, published today, it suggests:

A detailed national survey of the old at risk. Rapid expansion of home insulation projects run by local authorities and financed by the Government. Free installation and use of storage heaters in the worst affected pensioners' homes. Rapid increase in the programme of building sheltered housing for the elderly.

The use of central boilers to heat a whole area of houses instead of individual heaters. A minister for the aged to champion their cause at the highest level.

Help the Aged says that more than two million old people live in temperatures that would bring instant prosecution if they occurred in factories or offices. At a cautious estimate 700,000 pensioners risk hypothermia every winter, the pamphlet says. "Cold may kill 45,000 old people this winter, and that is if the weather is mild. The average is 50,000."

Housebuilding figures for 1977 'abysmal'

Shelter, the national campaign for the homeless, yesterday described Britain's housebuilding performance in 1977 as "a disaster for those in need of homes and for those who build them."

Commenting on figures released by the Department of the Environment, Mr Neil McIntosh, director of Shelter, said: "The number of new homes started last year was the second lowest since 1951. Taking housebuilding and improvement together, these are the most dismal figures for 15 years."

With over 200,000 building workers unemployed it is surely not beyond the wit of man to improve on this abysmal performance."

Work was started on 132,300 homes in the public sector, 38,000 fewer than in 1976, and 133,900 private ones, a fall of 20,800.

Eight hurt in crash

Eight people were hurt yesterday when a passenger train and a goods train were in collision in Hertford North station. A carriage fell about 20ft down an embankment.

Councils ask Government to relax central controls

By Christopher Warman, Local Government Correspondent

Representatives of all local authorities in England and Wales, achieving one of their rare moments of unanimity, called on the Government yesterday to give them greater freedom.

They asked, in a policy document, for fewer detailed central controls and a reduction in the number of reports and statistics demanded.

The demand for an overall review, presented by the Association of County Councils and the Association of Metro-

Fortnightly payment of jobless benefit to be recommended

By Pat Healy, Social Services Correspondent

A new system of fortnightly payments of unemployment benefit is likely to be recommended soon to Mr Booth, Secretary of State for Employment. A working party report will say that that could save £8m a year and would be preferred by both unemployed people and staff.

The report is still being considered by a joint working party of management and staff set up to monitor and evaluate pilot schemes in 36 local unemployment benefit offices around Britain.

Civil Service unions protested when the experiment began last September that claimants would find fortnightly payments more difficult to cope with since many of their outgoings are made weekly. It was also feared that fortnightly payments would increase fraud.

Questionnaires addressed to both claimants and staff during the three-month monitoring period show that those fears were groundless. Forms were

given to a tenth of the 50,000 unemployed people who changed to fortnightly payments; three quarters responded. Of those three quarters were in favour of fortnightly payments: 55 per cent found no difficulty in managing their money on the new basis.

Many claimants said they preferred the new system because they saved on bus fares, and did not have to wait so long for payment because offices were less crowded. But 2 per cent of them asked to go back to a weekly system, mainly because they disliked having to cash giro cheques for large amounts.

Of the eight hundred staff asked, five hundred responded. Most said they found the new system acceptable, particularly since it meant they could deal with inquiries. They also hoped that it would enable them to close offices half an hour earlier, in line with social security offices. Some were worried that fraud would increase, since fortnightly payments involved paying benefit

one week in arrears and one week in advance.

In fact, overpayments not recovered amounted to 0.13 per cent of the amount paid out, which would be equivalent to £550,000 a year if the system was extended to all offices. At least half of all overpayments are made through clerical error, however.

Overpayments of this order are less than the savings in postal charges to be made by paying benefit fortnightly instead of weekly. Many of these overpayments are made through the fortnightly system voluntarily returned the money.

The biggest savings would be achieved by cutting staff. The monitoring exercise showed that fortnightly payments would require 7 per cent fewer staff equivalent to 1,400 jobs, and less than the 11 per cent natural wastage already experienced in the department.

The full report will probably be published in March, when it will be presented to Parliament. Mr Booth will consult his colleagues, officials and staff before deciding.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a bonus to be paid on up to £1,000 of savings held by a first-time purchaser, and a loan of £500 for each first-time purchaser who has saved at least £500 over at least two years before purchase and is buying a house within specified price limits.

Bonus and loan will be paid on completion of purchase. The loan will be interest-free for five years and then repay with interest over the remaining period of the mortgage.

Since making its plans known the Government has been in consultation with organisations that might operate the schemes, including building societies, local authorities and banks.

The Bill, authorising the use of public money for assisting first-time purchasers, will also increase the financial limit governing housing corporation powers to guarantee loans to housing associations and similar organisations.

First-time home buyers will receive government help if a Bill introduced in the Commons yesterday becomes law. The savings bonus and loan schemes provided for in the Bill were foreshadowed in the Queen's Speech at the opening of Parliament.

The proposals are for a

WEST EUROPE

Queen Sophia's views on communism deleted

Harry Debelius
Feb 6

Spanish news media have completely suppressed any explosive statements on communism made by Queen Sophia in Austria, it is learnt here today.

The visit of the monarch to Austria, Queen Sophia expressed her views on communism in an interview with the daily *Die Presse*, by a Kubelke, and implied a monarchist and democratic antagonism.

As the first public expression of any member of the royal family of such a position on any particular issue since the death of King Juan Carlos, it has avoided over-politicism.

Queen Sophia was quoted as saying: "Communism is no longer an ideal, it is not a single country, it has been able to put into

practice the theories which sound so wonderful.

On the differences between classes are more pronounced in communist countries than they are in democracies. What is the point then? Most people just want to work in dignity and accomplish something, and that is only possible in a democracy."

The editors of several Spanish newspapers deleted the monarch's political remarks from reports filed from Vienna by their correspondents.

On the newspapers published condensed versions of her political opinions, tucked away in inside pages. Spanish radio and television news broadcasts completely ignored the comments.

A spokesman for the Zarzuela Palace denied that palace officials had pressed editors to play down the story. The director of one Madrid daily newspaper confirmed this. He told me that he had decided not to give prominence to the remarks because "Spain has no replacement for Juan Carlos."

ugs worth £1m seized in beach seaside villa

Feb 6

French police seized 35 morphine and two American agents burst into a house yesterday and seized a clandestine laboratory making heroin.

French police, by a raid made in a laboratory in the south of France, seized a large quantity of heroin for sale in the United States thought to have been in 1973. But one of the arrested yesterday had a connexion with links and had three years for drug.

Squad officials suspected that almost all the available in France came from the Far East and was to Amsterdam. But today the morphine seized in yesterday's raid

came from either Turkey or Lebanon. They feared this might signal the start of a new international drug chain.

First police estimates of the value of the haul were in the region of £4m but they later said it was poor quality morphine and probably worth only about £1m.

The laboratory contained equipment to turn morphine, a derivative of poppies, into heroin. Dealers mix this with other substances to obtain the highest prices in street sales.

Police said they believed the morphine arrived at the laboratory last week. They had been keeping the villa under surveillance for some time.

The French Interior Ministry said in a press statement: "Police have always said the networks of the 'French connexion' were in hibernation and not totally destroyed."

"Police have always stopped their surveillance of traffickers who escaped the attacks launched in 1972-73 against the networks of the French connexion."—Reuter and UPI.

Redgrave sees EEC create jobs

Feb 6

Redgrave, the actress, said a delegation of young people from Belgium, Holland, West Germany, Britain, France and Spain had started earlier outside the European Commission building in Brussels.

Redgrave said she was one of a European team which began on January 1 to separate groups of young people from Belgium, Holland, West Germany, Britain, France and Spain had started earlier outside the European Commission building in Brussels.

Redgrave said she was one of a European team which began on January 1 to separate groups of young people from Belgium, Holland, West Germany, Britain, France and Spain had started earlier outside the European Commission building in Brussels.

Czech hijacker seeks asylum in W Germany

From Our Own Correspondent
Bonn, Feb 6

A young Czechoslovak engineer today hijacked a Czechoslovak Tupolev 134 airliner with 46 people on board from East Berlin to Frankfurt and asked for political asylum.

It was the second hijacking of the Czechoslovak aircraft to Frankfurt within four months. An engaged couple from Czechoslovakia who forced a pilot at pistol point to fly them to West Germany in October are still in jail in Frankfurt awaiting trial.

They and today's hijacker, Ladislav Molnar, aged 24, face a minimum of five years imprisonment in West Germany.

The airliner took off from Frankfurt with the other passengers tonight for Prague, its original destination.

team on human rights as being on trial

Feb 6

United States regards the United Nations Commission on Human Rights as a trial, Mr Edward Medel of the American said today.

He said whether it is a deal with human rights or a double standard will deal with them, he said a press conference.

He said his government would also be giving support to the proposal for a new United Nations Commission on Human Rights.

Commission opened a session here today. It disclosed that the appeals reaching the United Nations human rights commission are now approaching 100.

He said by a team of experts to decide whether letters or telegrams indicate "a consistent gross violation of human rights."

He said the governments will be informed of the identity of the complainant—and the affair will be considered by the commission.

Complaints assessed through a similar and, once all available remedies have

been exhausted—or are seen to be "unreasonably" prolonged—are put before the 18-member human rights committee established last year under the International Covenant on Civil and Political Rights.

During a three-week session which ended at the weekend, the committee considered complaints in closed session. It also accepts additional observations from complainants to whom it has communicated a government's explanations concerning the original complaint.

However, these procedures are becoming known in the past of United Nations Commission on Human Rights.

The question of human rights violations in Uganda is expected to be raised in the Commission. The Nordic countries have a resolution on Uganda before the General Assembly, but have agreed to hold the matter over for the Commission.

Some lively exchanges seem to be in prospect between Mr Medel and the Soviet delegate, Mr Valerian Zorin, a veteran of many United Nations human rights meetings. At the same time, Mr Medel said they would soft-pedal on matters being dealt with at Belgrade, pending the outcome of the conference there.

OVERSEAS

Mr Nkomo declares Patriotic Front will accept UN force

From Our Correspondent
Lusaka, Feb 6

Mr Joshua Nkomo, co-leader of the Patriotic Front Rhodesian nationalist alliance, said today his organization was prepared to accept outside supervision of pre-independence elections in Rhodesia if it were given the "supervisory role" in the transition to majority rule.

A governing council consisting of those forces that fought for independence should be set up to run the government during the interim. Mr Nkomo was speaking at a news conference on his return from talks in Malawi with Dr Owen, the Foreign Minister, and Mr Young, the American representative at the United Nations.

The talks centred on new proposals for implementing the Anglo-American settlement plan.

Mr Nkomo said details of the elections for the first independent Zimbabwe government could be left in the hands of independent groups.

Asked if the Patriotic Front, which controls the guerrilla armies, would agree to the presence of a United Nations peacekeeping force, he said it would accept "some form" of United Nations participation, subject to negotiation.

Mr Nkomo, who together with Mr Robert Mugabe heads the alliance, said internally-based nationalists could serve on the governing council only if they are taking part in the war.

All Zimbabweans, however, would be free to contest the elections.

Mr Nkomo charged that there were about 11,200 foreign mercenaries, including 2,000 from Britain, fighting for the Rhodesian Army. The information came from a Western source, he said.

Frederick Cleary writes from Salisbury: Mr Josiah Chin-

mano, Salisbury representative of the Patriotic Front, said on his return from Malawi that new talks are expected soon between the British and American Governments and Mr Nkomo and Mr Mugabe.

The Malawi conference had produced British acceptance in principle of a governing council to oversee transition, and Patriotic Front acceptance of some United Nations involvement.

Yorster talks: Mr David Smith, the Rhodesian Deputy Prime Minister and Finance Minister, met Mr Vorster, the South African Prime Minister, for 50 minutes today. He also had talks with Senator Horwood, Minister of Finance, Nicholas Ashford writes from Johannesburg. Mr Smith said afterwards he had brought Mr Vorster up to date on the internal settlement talks in Salisbury.

He was still optimistic that the internal talks would result in a settlement, but he thought it would take some time.

Mr Smith was at the centre of the dispute just over a week ago which led to a walk-out by Bishop Abel Muzorewa, leader of the United African National Council.

It is thought likely that Mr Smith discussed the question of further South African financial assistance to Rhodesia during his meeting with Senator Horwood.

War toll: A Salisbury military communiqué said another 26 people, including five members of the elite Selous Scouts unit, had been killed in the war.

The Selous Scouts, three blacks and two whites, had died in a guerrilla ambush in Southern Rhodesia last night, the communiqué said, while a black security force member had been killed in another incident. Troops had killed 20 guerrillas.—UPI.

Mr Sadat sees Palestinian state linked to Jordan

From Patrick Brogan
Washington, Feb 6

President Sadat said today that he wanted no further concessions from the Israelis, because the occupied Arab land which they most want was not theirs to concede. He said that peace could be achieved within a week if Israel agreed that no one should tread on other people's sovereignty.

In a speech to the National Press Club, he said that Israel must withdraw from all territories occupied in 1967, and must allow the Palestinians the right of self-determination. A Palestinian state linked to Jordan would be no threat to peace, he declared.

The President reaffirmed that he was determined to follow the road to peace. "It is true that I am rather disappointed," he said, "but I am determined to persevere. I shall pursue my mission for the sake of Arabs and Israelis."

"He went on: 'I am willing to give the experiment—every possible chance, until I reach the conclusion that enough time has elapsed without achieving any kind of progress.'"

Mr Sadat did not elaborate on this veiled threat, if threat it was.

Despite his professions of optimism, he had no good news for his audience. The military talks between Israel and Egypt to all but cease, he said, the fate of the political talks in Jerusalem remains undecided.

Mr Alfred Aheron, the Assistant Secretary of State for the Middle East, will return to the area to continue his low-level diplomacy.

This is a major achievement. It is not at all obvious that an assistant secretary can succeed where the Secretary of State and the President have failed.

US airline plans Concorde flights to Panama

New York, Feb 6—Branniff International Airlines has started talks with British Airways to lease a Concorde for a New York to Panama route, a Branniff spokesman said today.

Israel admits supplying arms to Ethiopia

From Michael Knappe
Jerusalem, Feb 6

Israel is selling arms to Ethiopia to help the military Government in Addis Ababa in its war with Somalia, Mr Dayan, the Israeli Foreign Minister, disclosed today.

He pointed out that Israel was particularly interested in maintaining good relations with the countries bordering its Red Sea shipping route.

"For years we've cooperated with Ethiopia, never with Somalia," he said, "but when they were interested in (our arms) and were being attacked they asked us for help and we granted it to them." Mr Dayan, interviewed in Switzerland by a "Reuters" reporter, did not specify when this was, what arms were involved, and in what quantities, but said they did not include "warplanes or soldiers."

Retreat claim: Ethiopia said today that its troops had been driven back from the Ogaden Desert and that most of the Somalis were fleeing back to their country.

"The rest are surrendering," Addis Ababa radio said in a broadcast monitored in London by Reuters.

Reporting statements made at a Government press conference today, the radio said that Gomal forces in the Ogaden

Lawyer denies he was 'Deep Throat'

New York, Feb 6—Mr Fred Fielding, a lawyer who worked for the Nixon Administration, has denied that he was the "Deep Throat" source.

TV forecasts add to trials of blizzard in New York

From Michael Leupman
New York, Feb 6

New Yorkers woke up this morning to find it snowing hard, and the snow has become thicker and more blustery since. Far from being startled by this further worsening of the rough winter weather, most people in the city would have felt keenly deprived if it had been fine, because forecasters had spent the weekend working up into a lather of anticipation.

Ever since they spotted the storm hovering south-west of us a few days ago, forecasters have been steadily increasing their estimates of the amount of snow we can expect. Starting from between three and six

Chad breaks link with Libya

Majama, Feb 6—Chad suspended diplomatic relations with Libya today. A statement announced that Chad would increase support to Chad rebels and of occupying a stretch of land in northern Chad.

Dressing-down for Emperor

Tokyo, Feb 6—The Emperor's clothes have become a political issue in Japan.

A group of members of the Diet is pressing for Emperor Hirohito to wear the traditional kimono instead of Western dress in public.—AP.

Chad breaks link with Libya

Majama, Feb 6—Chad suspended diplomatic relations with Libya today. A statement announced that Chad would increase support to Chad rebels and of occupying a stretch of land in northern Chad.

But, direct negotiations between Chad and Libya over their border dispute would take place in Niamey, in Niger, tomorrow, as planned.

Chinese writer describes 10-year persecution

From Georges Bianchi
Shanghai, Feb 6

Pa Chin, the Chinese writer who was once nominated for the Nobel Prize for Literature, has described how he was persecuted for several years during the Cultural Revolution by being made to clean toilets, unblock drains, sweep floors and serve at tables.

Mr Pa, who is 74, was giving the first interview by a Chinese writer for 12 years. He blamed the "gang of four" and the mistakes of the Cultural Revolution for his disgrace that lasted from 1966 to 1976. He was rehabilitated last year and reinstated in his home and library.

He said he was writing a book "describing the life of writers who, like myself, suffered for 10 years." He added: "I want to accuse, express my indignation and tell about the life of a writer during the difficult years."

The author of several hundred works, he was at the peak of his popularity when the Cultural Revolution picked him as a target in 1966. He had recently returned to Shanghai from a conference of Asian and African writers in Peking, had paid a call on Mao Tse-tung at his home, and taken part in the Cultural Revolution, when the "Gang of Four" stepped in and "pushed me aside."

He stayed "pushed aside" for several years and his name only reappeared in the official press in May 1977, six months after the "gang of four" fell.

From October 1966 until early 1970 he was obliged to visit the Writers Association offices in Shanghai every day, not for literary purposes, but to attend to mental cleaning and serving tasks. Outside, wall posters accused him of being a traitor to China.

Mr Pa said he was never physically ill-treated. He never was made to kneel on broken glass, as he read in the preface to one of his books published in the United States, he was

never imprisoned and he was never made to wear a dunkey's cap, which counter-revolutionaries were often forced to put on.

But, he said, he was "the target at a succession of meetings where I refused to accept the criticisms. I was then accused of being disloyal. But if it was true, I accepted it," he said.

None of the "Gang of Four" was ever present at these meetings. But he said, two members of the accusations against me were contrary to facts. Sometimes I refused to accept the criticisms. I was then accused of being disloyal. But if it was true, I accepted it," he said.

His children also particularly suffered from the attacks against him. "They suffered

from discrimination in the distribution of jobs. They were made to do hard tasks. Because of my errors, my son spent seven years working in the country from 1969. He was able to return to Beijing in 1976 to work in a factory."

Mr Pa said he was rescued from the reeducation school in 1972 thanks to the intervention of Mao Tse-tung and Chou En-lai, the former Prime Minister, who were concerned over his methods. He was afterwards transferred to the Shanghai writers' association "bureau" where, forbidden to write himself, he translated into Chinese various Russian books.

His final rehabilitation came in May last year when the Shanghai newspaper *Wen Wei Po* published a letter in which he attacked the "Gang of Four."

His "cultural dictatorship" had been a calamity, he said. Its first consequence was the lack of books. Libraries no longer lent them and printers no longer printed them.—Agence France Presse.

Chad breaks link with Libya

Majama, Feb 6—Chad suspended diplomatic relations with Libya today. A statement announced that Chad would increase support to Chad rebels and of occupying a stretch of land in northern Chad.

But, direct negotiations between Chad and Libya over their border dispute would take place in Niamey, in Niger, tomorrow, as planned.

TEHRAN DAILY
09.55
NON-STOP

Our non-stop flights to Tehran run right through the week.

Leaving Heathrow at a highly convenient 09.55. Arriving in Tehran in time for dinner.

And all with the comfort of a 747.

For full details of all our flights to Tehran, or to make reservations, contact your Travel Agent.

IRAN AIR
The world's fastest growing airline.

Touch
your partner, move as one. Learn to dance special.

FREE DANCE LESSON WITH YOUR OWN TEACHER

PLUS an opportunity to enrol on a special introductory programme (offer limited to new adult students only)

Strand (WC2) 930 0621, Kensington 581 0382, Manchester (061) 2731628, Birmingham (021) 2360584

Your round parties, **Arthur Murray**

Woman right to use force to stop fingerprints being taken

Régina v Jones
Before Lord Justice Shaw, Lord
Justice Maids and Mr Justice Pe
Pain

A woman who violently resisted an attempt by the police to take her fingerprints by force was hit by the Court of Appeal to have acted within her rights.

Their Lordships allowed the appeal by Mrs Yvonne Smith. Ann Jones, aged 43, of Richmond Road, Kingston-upon-Thames, was against convictions at Kingston Crown Court (Judge Wakley) for criminal damage, dangerous driving and carrying a dangerous weapon.

ing and assaulting two police constables. She had been fined on each of the charges of criminal damage and dangerous driving disqualified from driving for three months, and sentenced to 28 days imprisonment suspended for three years in respect of the assault.

Mr. Christopher Sumner for the appellant; Mr. J. H. Robbins for the Crown. Neither counsel appeared below.

MR. JUSTICE PETER PAI reading the reserved judgment the court, said that leave to appeal had been granted because the case gave rise to issues of law some public importance. The case itself was a storm in a teacup, arose out of the difficulty of paying in Kingston. A trifling incident was inflated by bad temper to quite ridiculous proportions. The appellant behaved with so lack of dignity, while the police, sadly enough, failed to live up

In the afternoon of September 1, 1976, the appellant was seen by a constable in Castle Street, Kingston. Her car was parked in the middle of the road at the end of a cul-de-sac. She was waiting for a vacant parking space. The constable asked her to move and she drove off.

The immediate consequence:

The pump was a sharp arrest between the appellant, and constable. Four other police officers arrived, the appellant arrested for causing criminal damage, forcibly removed from car, taken to the police station and bailed.

The police required the appellant to give her fingerprints.

It was arranged to obtain order from the magistrates for a police surgeon to be the station to certify that appellant was fit to have fingerprints taken and to be detained. But the authorities

the police did not extend checking on their statutory powers. The relevant provision was section 40(2) of the Magistrates' Courts Act, 1952, which provided: "Fingerprints taken pursuant to an order under section 3 shall be taken either at the place where the court sits, or if the person to whom

the order relates is retained custody, at any place to which he is committed, and a constable may use such reasonable force may be necessary for the purpose."

Since the appellant had bailed, it should have been plain that an order could be made for her fingerprints to be taken only at the courthouse. That, not just a technical matter, it had no doubt salutary that the police had a wide power to take fingerprints from any person.

The provisions of section were the result of consider public debate and the safety in the section were to be str regarded. It was an important section for the subject who wa liberty that his fingerprints in he taken against his will ont the court building where the d

After the order had been obtained, an attempt was made to take the appellant's fingerprints at the police station. The appellant objected strenuously. After police surgeon had been consulted about her condition, an attempt was made to take the fingerprints by force. The appellant defended herself stoutly, hitting a police constable and kicking another.

The police desisted from attempt.

The appellant thus found self in a very difficult position. Assaulting the police was a charge and a person who was convicted of it must in the ordinary way expect to be deprived of liberty. Further, she found self charged with dangerous driving and causing criminal damage.

Since there was no suggestion that the appellant had used

Further, in their Lordships' view, it was oppressive to charge the appellant with dangerous driving. There was no evidence whatsoever of danger to the public. Dangerous driving was a serious traffic offence, conviction of which would usually cost a driver his licence. To seek to apply it to a pot-fogging incident such as occurred in the parking bay

The conviction for criminal damage might well have been induced by the mass of evidence led by the prosecution in support of the assaults for which appellant should never have been brought to trial at all in circumstances that conviction should be regarded as unsafe and unsatisfactory.

Solicitors: T. V. Edwards
Co: Metropolitan Police Solicitors

the change in the

Israel gambles on a buyer's market

Observing the Middle East peace negotiations from Cairo these past few weeks has been like watching a slow-motion film of a car crash. A final collision between President Anwar Sadat's idealism and Mr Menachem Begin's tough political realism seems inevitable unless the United States can stop the film and rewrite the ending.

The days since the turn of the year have been stimulating for the Egyptians and scenes such as those when Mr Ezer Weizman, the Israeli Defence Minister, got a rapturous welcome in the Cairo bazaar where he arrived for the opening of the military committee talks are unlikely to be repeated.

When Mr Sadat called for serious negotiations by the Israelis he was not expecting a sudden change of heart on their part. He merely wanted to see a series of statements and incidents, from both the United States and Israel, which have embarrassed and belittled Egypt and underlined Israel's vast military and technological superiority and, perhaps more important, her superior political leverage in world capitals. Mr Sadat has put all his eggs in the American basket and there is nowhere else he can turn to in the foreseeable future.

It is as if the gift to the Israelis of Mr Sadat's visit to Jerusalem has not merely been smashed but returned to the donor one piece at a time. Since that time the Israelis have seemed intent on "proving" once again that might is right.

When Mr Muhammad Kamal, the Egyptian Foreign Minister, arrived in Jerusalem for the political discussions, the Egyptians asked that there should be no press conference during the visit. Mr Cyrus Vance, the American Secretary of State, agreed and kept silent. Mr Moshe Dayan, the Israeli Defence Minister, however, not only gave a press conference but also attempted to preempt the Egyptian case. The arrival of the Egyptian delegation also coincided with a fresh announcement on the contentious issue of Israeli settlements on captured Egyptian territory in Sinai.

All this, combined with the now-famous dinner speech of Mr Begin, on the eve of the full talks, to which Mr Kamal declined to reply because he had been given to understand that the evening would be a social one, persuaded Mr Sadat to withdraw his delegation. Undoubtedly there was a strong element of brinkmanship involved, but Egyptian pride was also at stake.

Not long after the withdrawal of the delegation came a leak from the Central Intelligence Agency that Israel had possessed nuclear weapons since 1974. To add insult to injury, on the day the military committee talks opened in Cairo, the United States announced the approval of the sale of a new batch of advanced military aircraft to Israel. This announcement—



Mr Kamal: no reply.

given the fact that Egyptians feel to all intents and purposes the Israeli settlements being discussed by the committee are defended with American weapons—seemed calculated to strengthen the Israeli position and to contravene Mr Carter's statement that the settlements are illegal.

When Senator Church made the not unreasonable suggestion that a freeze on all arms deliveries to the Middle East might be in keeping with the present attempts to settle the dispute by other means, he was immediately rebuffed by Mr Begin and changed his mind the following day to say, of course, that there was no intention of interfering with standing commitments to supply the most advanced fighter aircraft in the world, the McDonnell-Douglas F-15.

The settlements, perhaps more than any other issue, have convinced the Egyptians that the Israelis are not seriously negotiating but playing for time. Difficult talks on the Palestinian issue were expected by both sides, but Cairo felt that with time and patience an accommodation could be reached. The secretary of the military committee talks, which ended last week shortly before Mr Sadat left for the United States, seemed to prove once again to the Egyptians that the Israelis are only playing with them. The position of Jerusalem on the settlements had not moved: "How can they seriously suggest that a few settlements in the Sinai are necessary for security with an air force comparable to anything in Europe?" asked an Egyptian Ministry spokesman.

Small wonder, then, that Mr Sadat is hardening his stand on the question of Palestinian self-determination, having endorsed Mr Carter's vague formulation calling for the Palestinians to have a "role in the determination of their own future", enunciated earlier in Aswan.

As one Western diplomat put it: "The Israelis saw the price Egypt was asking for peace and, on the whole, they liked it, but they decided to try to bring the price down." How much longer will it be a buyer's market?

David Watts.

Won't you be my 'Postal Parent' for £4.33 a month?



Agnes was born deaf and dumb. She had seven brothers and sisters. And her father, unable to provide adequately for the family, was unable to keep her at school. A year ago, Iodine, a boy, was born. He is undernourished and inadequately clothed. His father is also unable to pay for his education. He is one of four children. Although his parents try hard they find it almost impossible to provide him with sufficient food and clothing. Without funds these children face a bleak future. Yet you can give them a chance. As a "Postal Parent" give £4.33 a month. You could enable us to provide a well-balanced diet, clothing and a practical training. And you could follow "your" child's progress through letters and news.

Write today to learn how EVERY SINGLE PENNY OF YOUR DONATION goes overseas to help a needy child.

ACTION IN DISTRESS WORKS WITH EXPERIENCED RELIEF ORGANISATIONS OVERSEAS INCLUDING: The Salvation Army; Catholic Relief Services; and the Church Missionary Society.

SUPPORTERS: Barry Scowen; John Timpon; Yehudi Meorin; Dora Bryan; and Norman St. John-Stevens.

ACTION IN DISTRESS, Hon. Treasurer The Rt. Hon. Christopher Chataway.
To: AID Dept. T784, c/o Midland Bank Ltd., P.O. Box 166, 52 Oxford Street, London W1A 1EG. Tel.: 01-226 3333.

I wish to befriended a needy child now and request photo, forms and information ☐
I enclose £4.33 as my first month's help ☐
Please send general details of the scheme ☐
I cannot sponsor a child at present but enclose a gift of: £50 ☐ £3.50 ☐ £6 ☐ £15 ☐ £30 ☐
Please tick for receipt ☐
PLEASE MAKE CHEQUES PAYABLE TO ACTION IN DISTRESS

NAME
ADDRESS
Tel.

By a Special Correspondent

Today the House of Lords gives its second reading to a Government Bill which will allow the United Kingdom to ratify and implement the European Convention on the Suppression of Terrorism. While in this country the convention has attracted little attention or comment, in France it has provoked the formation of a pressure group, "France-Terre d'Asile", dedicated to preventing ratification and preserving the traditional and constitutionally acknowledged practice of political asylum.

The convention seeks to achieve its object, first, by facilitating the extradition of those accused of "terrorist offences". Article 1 therefore declares that none of a range of crimes shall be regarded as "political"—the list includes hijacking, offences against "protected persons", including diplomats, kidnapping, and the use of bombs or automatic weapons. (Article 2 in turn provides that states may deny political character to other offences. These include serious acts of violence not otherwise within Article 1 which are against the life, physical integrity or liberty of persons and acts against property which threaten a collective danger for people.)

Whatever one's intuitive feelings about terrorism, there can be no doubt that the European convention is potentially a most serious threat to the practice of asylum and the protection of refugees. For it is by no means inconceivable that a person accused or even guilty of any of the broad offences described in Articles 1 and 2 might, if surrendered, be persecuted—that is, his life, liberty or integrity might be

injured, threatened or seriously prejudiced by reason of irrelevant distinctions.

One provision of the convention is therefore to be given a welcome. The article in question, Article 5, was introduced on the initiative of the British delegation, and it allows but does not oblige, contracting states to refuse surrender if it is perceived that the request is inspired by the wrong motives or intentions. Specifically it permits non-extradition if there are substantial grounds for believing that the demand is made for the purpose of prosecuting or punishing a person on account of his race, religion, nationality or political opinion, or that his position may be prejudiced for any of these reasons.

The convention seeks to achieve its object, first, by facilitating the extradition of those accused of "terrorist offences". Article 1 therefore declares that none of a range of crimes shall be regarded as "political"—the list includes hijacking, offences against "protected persons", including diplomats, kidnapping, and the use of bombs or automatic weapons. (Article 2 in turn provides that states may deny political character to other offences. These include serious acts of violence not otherwise within Article 1 which are against the life, physical integrity or liberty of persons and acts against property which threaten a collective danger for people.)

Whatever one's intuitive feelings about terrorism, there can be no doubt that the European convention is potentially a most serious threat to the practice of asylum and the protection of refugees. For it is by no means inconceivable that a person accused or even guilty of any of the broad offences described in Articles 1 and 2 might, if surrendered, be persecuted—that is, his life, liberty or integrity might be

A danger in Europe's Terrorism Convention

The end for the political refugee?

There is no doubt that the convention is potentially a most serious threat to the practice of asylum and the protection of refugees

of any political element or intention. The Bill elects to include both Article 1 and Article 2 offences and makes provision also for assistance to other contracting states in the matter of prosecutions. The necessary amendments are therefore made in the Extradition Act 1870, the Backing of Warrants (Republic of Ireland) Act 1965 and the Fugitive Offenders Act 1967 (which governs extradition between the United Kingdom and other Commonwealth countries).

But in Clause 2 the Bill does incorporate an overall and apparently mandatory requirement that the "guarantee" allowed by Article 5 of the convention: add other clauses provide the necessary corollary of trial in the United Kingdom for those who are not to be surrendered. To what extent this is the demise of the political offence exception to be regretted?

The principle of the non-extradition of political offenders is commonly claimed to be dictated by some rule of international law of general application. As such it has been invoked by Ireland in justification not only for the refusal of the courts to surrender alleged terrorists to Northern Ireland or Great Britain, but also for its refusal to ratify the

present convention. Yet the evidence in support of a rule is hardly conclusive. Indeed, the interests of political alliance have often dominated, treaties for the mutual surrender of political dissidents have been concluded and there is a widely tolerated although often criticized practice of "disguised extradition", whereby immigration law powers of exclusion and expulsion are employed to avoid the niceties of extradition procedure.

In the United Kingdom this limitation on the surrender of fugitive offenders has itself been narrowly construed. The legislative fathers of section 3 of the 1870 Extradition Act, John Stuart Mill among them, anticipated that courts would take it upon themselves not only to examine the offence for which extradition was requested, but also to consider the bona fides of the demanding state. This expectation proved somewhat over-optimistic. Within a few years United Kingdom courts had indicated that they would only detect political character in offences occurring between competing factions, each struggling for power in a state. The courts' "enemy of all governments", was soon excluded and the question of good faith

abandoned to that political expedient, the Secretary of State's discretion.

Despite the express provisions of Clause 2 of this Bill there remains therefore cause for concern lest the courts of this country should decline to examine fully and honestly the question whether a fugitive's basic human rights will be recognized and respected by the state which demands his surrender. Such matters, as well as related concepts of persecution, discrimination and prejudice, are clearly not yet fully integrated into United Kingdom jurisprudence. In 1971, in an analogous case under the Fugitive Offenders Act, the House of Lords expressed but did not apply the rule that a "serious possibility" of detention or prejudice was sufficient to justify non-extradition. Humanitarian considerations demand, as a matter of principle, the exclusion of the benefit of the doubt; but whether that nettle can be grasped is a nice question.

Non-extradition of the political offender must continue to be seen as but one aspect of the institution of asylum—that competence of states, and occasionally their duty, to protect foreign nationals within their borders by denying access to another sovereign power and by refusing execution of its laws. It is a practice soundly based on principles of humanity and justice, but asylum for the political offender is evidently a matter in which "political" considerations will often struggle uneasily with humanitarian factors.

Thus it is that the European Convention on the Suppression of Terrorism may be seen as a further limitation upon the rights of the refugee. Certainly

it is based, perhaps not unrealistically, upon an awareness of shared democratic values. But for those who will debate the merits of the Government Bill, there remains a further question.

Is it beyond the bounds of belief that, at some future time, governments may discover that their own power and authority are best preserved by rigidly controlling confining and channelling opposition? And that there is a mutual interest in maintaining the power and authority of all other governments, regardless of creed or complexion? Undoubtedly such a cynical view of the world will be that the only outlet for opposition is through the offices scheduled to the present or some future Bill?

If the political offence exception is to be ended, the minimum corrective remains formal recognition of the human rights element as mandatory and effective guarantee against the extradition of those who may be tried, punished or seriously prejudiced by reason of irrelevant distinctions such as race, religion, nationality or political opinions. Article 5 of the European Convention demands the fullest support. Its terms have an excellent pedigree and are anticipated in the 1957 European Convention on Extradition and in the non-discrimination provisions of instruments such as the European Convention on Human Rights. Humanitarian considerations, moreover, lie at the heart of those treaties specifically designed for the protection of refugees, unwilling to return to their country of origin owing to well-founded fear of persecution.

© Times Newspapers Ltd, 197

Bernard Levin

Reflections on the sword in the stone



The headless statue of Salazar, as pictured in 'The Times' yesterday: those who live by the monumental mason shall perish by the stonebreaker's yard

Violent fighting, including the use of guns and rocketing, in casualties took place over the weekend in a small town in Portugal. The cause was a disagreement between the people of the town, who had planned to restore the head to a statue of Dr Salazar, the former dictator of the country, and the Portuguese Government, which had forbidden the repair of the statue, overthrown after the fall of the dictatorship in April, 1974. The statue, which stood in front of Buckingham Palace, was the subject of a dispute between the Portuguese Government and the Portuguese people, who had planned to restore the head to a statue of Dr Salazar, the former dictator of the country, and the Portuguese Government, which had forbidden the repair of the statue, overthrown after the fall of the dictatorship in April, 1974.

The statue, which stood in front of Buckingham Palace, was the subject of a dispute between the Portuguese Government and the Portuguese people, who had planned to restore the head to a statue of Dr Salazar, the former dictator of the country, and the Portuguese Government, which had forbidden the repair of the statue, overthrown after the fall of the dictatorship in April, 1974. The statue, which stood in front of Buckingham Palace, was the subject of a dispute between the Portuguese Government and the Portuguese people, who had planned to restore the head to a statue of Dr Salazar, the former dictator of the country, and the Portuguese Government, which had forbidden the repair of the statue, overthrown after the fall of the dictatorship in April, 1974.

But it is really no laughing matter, and not only for the people who stopped the bullets in the fighting. There are few things more symbolically powerful than a statue, and few that so focus and incite political and similar passions. One of the most beautiful photographs of the post-war world came from Budapest at the time of the Hungarian Revolution; it showed the monstrous statue of Stalin that stood in a commanding position in that city, and a group of patriots, with hammers attached to it, pictured at precisely the moment it began to topple from its base.

Max Beerbohm once suggested that when it was desired to commemorate some great man in London, this should be done not by unveiling a new statue but by veiling an existing

one, and it is true that most monuments are in hideous, to a greater or lesser degree. (Said wrote a short story in which a group of suffragettes announce that, unless the government agrees to give votes to women, they will erect all over the country actual-size replicas of the Victoria Memorial in front of Buckingham Palace.) Certainly if Lady Churchill had given instructions to dynamite the Parliament Square statue of her husband rather than turn the Sutherland portrait of him, she would have deserved the thanks rather than the reproaches of those who love art and admire Sir Winston. And I have no reason to suppose that the statue of Salazar which has caused such trouble was an artistic masterpiece, nor that ever it was, the battle over it was an aesthetic one.

On the one hand, the Portuguese Government, largely composed of men who worked to overthrow the dictatorship (some of them had suffered under it), did not think it appropriate or timely for such tributes to be paid to the man whose brutal and fraudulent rule, enforced with censorship, imprisonment and torture, had lasted for almost 40 years. On the other hand, the citizens of the town in which he had been born merely wanted to put on an existing statue of him, decapitated when his successor's regime was overthrown, a new head, for which they had themselves paid. This dispute should not have led to bloodshed, but on the other hand nobody should have been surprised that it did.

The evil that men do lives after them; how much more so when reminders in stone are left where everyone can see. Symbols are notorious at the best, and their power extends both to those who accept them

and those who reject them; look at the frequency with which the statue of Karl Marx in Highgate Cemetery has been daubed with paint by those wishing to register their disapproval of Marxism, and look at the mobs of flowers that appeared during the "Czech Spring" on the statues of those

who for the Czech people represented the independence from their hated oppressors that seemed at last in sight.

I have remarked before now on the unwisdom of those who seek, by sympathetic magic, to perpetuate their rule by associating themselves with some permanent feature of the

landscape, to the extent of giving it their names. This may be a square in the capital city, it may be a town (hands up those who can say without pause for reflection what Stalingrad is called today, when Leningrad was called before it was called Leningrad, and go to the bottom of the class those who said that the answer to the second question is St Petersburg); it may be a lake, a river or a mountain. In any event, the more keen on this immortalizing himself the ruler may be, the less likely it is his rule to be immortal; it will need an awful lot of paint in Uganda to obliterate the names of Idi Amin Avenue, the great African leader, and some of the statues of the day after that murdering madman is assassinated.

And the same goes for statuary, and possibly more so. Those who live by the monumental mason shall perish by the stonebreaker's yard; those who have to wait until they are long dead before their admirers ensure them in stone are likely to last rather longer. I do not know what revolutions may come to Italy, but I cannot imagine one that would displace the Venetian statue of Goldoni from its place in the Campo S. Bartolomeo, or for that matter the Colossal monument from its noble position in the Campo S. Zanipolo, for all that that is not where he stipulated it should be in the will which also bequeathed his entire fortune to Venice on condition that they should put his statue where he wanted it.

It is otherwise with Caesar, or at any rate Salazar. He ruled Portugal wickedly, and by his rule came within inches of ensuring that an even wickeder rule would follow the overthrow of his regime. But his statue in Lisbon is not exactly the most stable on earth, but its leaders have weathered

storms that would have sun many a stout ship of state, and have the right to hope for calmer waters now. Of course, their rule will not be mad either more difficult or more uncertain by allowing a hand of irreverent vandals to repair a statue of Dr Salazar in his, and their, home town (mind you, this argument can be taken too far—it would raise a few eyebrows if the people of Lisbon on the 11th should announce that they were going to put a statue to a man who certainly caused more stir in the world than any other native son of that town before or since), and I cannot imagine that a statue of Salazar in a small town in Portugal, even with its head on its shoulders, is going to become the focus of a subversive movement destined to sweep away Portugal's frail democracy. Brave men fought Salazar, and what he stood for, and some of them died at the hands of a jailers, and although it was a worn cracked head and bullet wounds, I can easily see why feelings ran high against the statue as well as for it.

In the end, Salazar's place in Portugal's history will be decided by history itself, not any statue of him that might survive will be preserved, according to history's verdict. Many men have tried during their lives, and not a few afterwards, to ensure that they were remembered "until the end of time" by causing monuments to be raised to their memory. Or of them was called Ozymandias king of kings.

Nothing beside remains. Round of that colossal wreck, boundless and bare, The lone and level sands stretch far away.

© Times Newspapers Ltd, 197

THE TIMES DIARY/PHS

Short treatise on squash

My sports world watcher, who has not been known to miss any recent historic incident involving racket and ball, has told me a human interest story.

It concerns a Michael Edwards who was seen ambulating through the press room at Wembley Squash Centre at that weekend. He was searching for John Myers, the physiotherapist who was sorting out the ailments of competitors in the British Amateur Championship which ended last night.

Normally, Mr Myers is based at the Tucker clinic in Twickenham, which is handy for damaged Richmond squash players. One of these, the aforementioned Mr Edwards, had made an urgent appointment to see him at Wembley.

I will keep you in suspense no longer. The man who had dislocated an elbow was the head of British Leyland. "But don't say the shop stewards did it," he said. "I did it myself, playing squash."

South African-born Mr Edwards took up squash at Rhodes University. He denies, as wicked rumour has it, that he is only 5ft 2½ tall. He insists that he is 5ft 10in which (so my specialist informant says) puts him in the same class as three of the greatest players in squash history—Abdel Fattah El-Mehdi and the brothers Hashim and Azam Khan.

Four tough competitors, says my pundit, but all of them would be invisible behind a 5ft 6in wall.

The Sodom and Gomorrah tapes

Flushed with the success of its on-the-spot reports from Sodom and Gomorrah, and elsewhere Bible News is expanding its extraordinary coverage to the New Testament. I am pleased to disclose.

Bible News, which uses cassette recordings to make biblical history easily available to those who no longer read their Bibles, launched the scheme last year.

The first 10 biblical bulletins (on five cassettes, price £14.95) have sold so well that the New Testament series, called Jesus and the New Testament World, will be rushed out by the spring.

John Wager, the British businessman who has masterminded the scheme, has just returned from a deeply moving tour of the "bible belt" in the United States. He addressed

Maxim's comes to London

Courtness will be pleased to learn that Maxim's is sending a soupçon of its famous bistro cuisine to London later this month. Staff from the celebrated Parisian restaurant have been invited to prepare the fare at the Inn on the Park's Seasons restaurant for a week.

The Filles de Sole Albert and the Crêpes Veuve Joyeuse are likely to be easier on the stomach than the pocket, however.

London gourmets will find that whereas £22 normally enough to drive off the point of starvation for two at the Four Seasons, it will cost up to £6 for the privilege of Maxim's expertise. I am told that the ghosts of Franz Leher and his thousand gypsy violinists, who helped the digestion.

M. François Vaudable, who family owns Maxim's, is bringing a team of four people—chef Leon Chabot, Marc Besson, and Serge Chabot, as well as the maître d'hôtel, Alain Prieur. They will be working together with the Inn on the Park's own executive chef, Jean-Michel Bonin, and the restaurant manager, Luigi Zamboni.

Guests will be greeted at the door of the Four Seasons by a waiter called Madame Gode-lard and soon become one of the world's most opulent public places.

Notice: Carry on noticing

The experts keep on insisting that the best editing in films, like the best musical score, is the kind you do not notice. I go along with them, but only part of the way. If they were wholly right there would be little point in the National Film Theatre putting on their season called Editors, which opens on March 5.

Their theory becomes untenable when applied to such a film as David Lean's *Summer Madness*, one of the NFT season's offerings, which has both superb music (by Sandro

Cicognini) and skilful editing (by Peter Taylor). I suggest you forget not noticing these qualities and, instead, enjoy the film because of them.

You should not worry, too, if you find yourself noticing the acting of Katharine Hepburn and the photography of Jack Elford. And if you should also happen to notice Venice, the real star of the film, has never looked so beautiful on the screen, you should not allow yourself to feel harassed by the film world intelligentsia.

The facts and fantasy of Boz Day

A relentless Dickensian, I must separate fantasy from fact in the celebrations being held today to mark the master's 166th birthday.

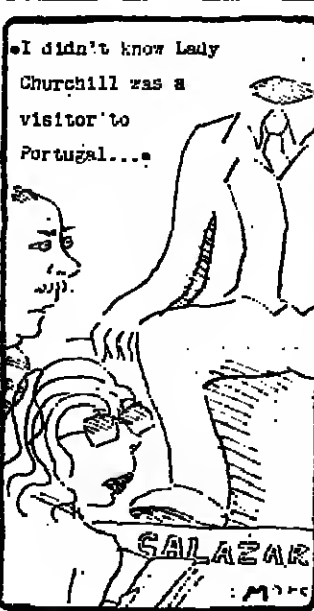
First, the fact. The Dickens Fellowship, custodians of good taste in matters Bozian, held a dinner in London tonight at which someone who is going to write a book on Dickens (Mrs Denis Healey) will be on top table with someone who already has (Edgar Johnson).

Mrs Healey touched frequently on Dickens in her recent book about Angela Burdett Gurney, the philanthropist; clearly she now feels her supporting character is worth promoting to the leading role.

Mr Johnson's biographical work has already appeared in two volume form; now Allen Lane have got it down to a single volume, with a touch of revision here, and a spot of abridgement there.

Now, the fantasy. The Dickens Inn stands hard by Tower Bridge. It is a converted brewery, and has nothing whatever to do with Dickens apart from the fact that the young Charles, in the honest words of the inn's manager, Paul Bruggemann, "used to move around this area".

The fantasy extends into the inn's menu, which will doubtless be much consulted tonight. Jagger's Favourite Dish (kidneys and bacon, basically) and Pumblechook's Breast of Chicken and Herbert Pocket's



Cockles and Mussels all raise great expectations which the book itself does not authenticate. Fagin's Beef in Beer Sauce is a bit of a twist, and Fegott's Herring Dish is more copper-captain than Copperfield.

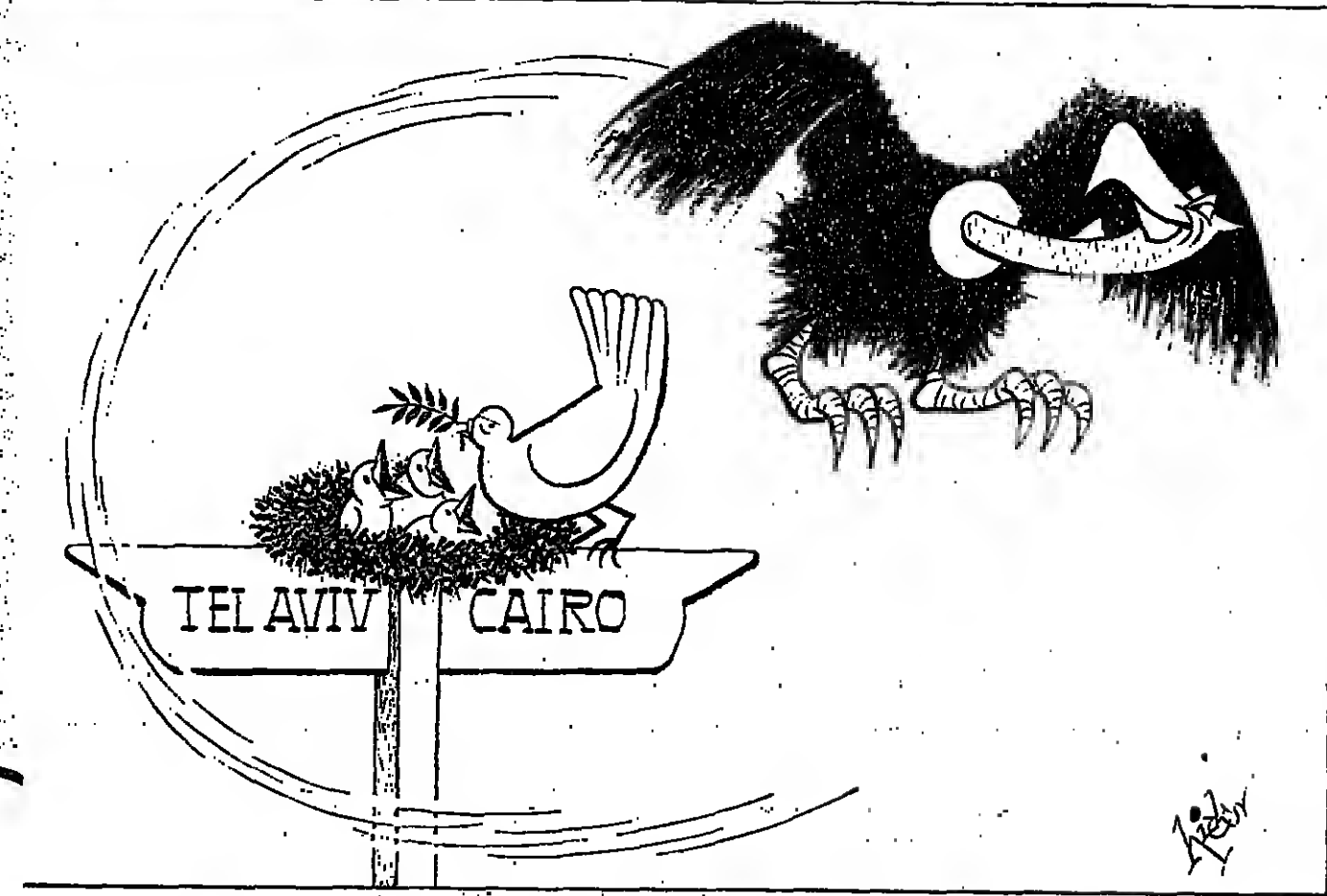
I commend the restraint shown by the Dickens Inn in not adding the suffix "a Sarah Gamp" to their Cream of Tomato Soup with Gin.

The fan Bruggemann is really looking for an idea that will have Dickensians nudging each other knowingly, or tapping the sides of their noses in true Bozian style. I recommend to him Magwitch's Pork Pie. That one is in the book.

صكنا من الاصل

Le Monde
LA STAMPA
THE TIMES
DIE WELT

Europa



Israel seeks EEC help to beat the boycott

Malcolm Brown

Israel is intensifying efforts to ruit Europe to the anti-boycott cause. The Arab countries have been using economic weapons against Israel ever since state came into being. But use of the boycott, under which firms outside the Middle East can be denied access to markets if they do certain kinds of business with Israel, did not begin to hurt Israeli economy until the 1970s when the oil price increased enormously. Economic and political rift of the Arabs.

Economic Warfare for Israel, set up 1975 to coordinate action wide against the boycott, has been the time is ripe a common front between United States and Europe. The boycott and that should be achieved through the European Economic Community. The United States introduced tough new boycott laws last summer. Israel has not been taken the subject by the Egyptian peace talks, in-

deed, if anything, the peace dialogue has increased concern because of the fear that the rejectionist states in the Middle East will tighten the boycott even further to show their displeasure with President Sadat and Mr Begin. The lobbying now taking place in Europe is being done discreetly. Israel is intent on recruiting EEC help to beat the boycott, but is rather hesitant about the means, lest an ill-chosen strategy should backfire. The EEC, while stating quite unambiguously that it is opposed to the boycott, also appears to be treading rather cautiously. After the quadrupling of oil prices, it recognizes the length of the Arab oil weapon, and realizes Europe's vulnerability as a big oil consumer.

The EEC, in statements on the cooperative agreements which has signed with several of the Arab League countries, has underlined its opposition to the boycott. But Israel wants something a good deal stronger than this. The most obvious line of action would be some form of legisla-

tive initiative by the EEC effectively outlawing the boycott. But this is out of the question, at least for the moment. Such a move would require agreement by all member states. Most European countries are showing little enough inclination to act individually against the boycott, let alone in concert. Britain has been among the weakest of the EEC countries in its reaction to the boycott, and even though an anti-boycott bill has already had a second reading in the House of Lords, no one would give too much for its chances of getting on the statute book. West Germany, is stronger than most other EEC countries in efforts to counter the boycott through diplomatic channels, but shows no signs of being willing to promote federal legislation on the subject.

Even if Britain and Germany could be persuaded to join an EEC initiative, however, it appears extremely unlikely that the French would be co-operative.

France has been looking both ways on this issue. In the summer of last year the French Parliament adopted by an overwhelming majority a law which among other things forbade compliance with boycotts. But almost before the ink had dried on the legislation the French Government, using a get-out clause incorporated in the law itself, published a directive which effectively nullified the law's effects in the Middle East. The directive said that the law should not apply to guarantees given by the Foreign Trade Insurance Commission, a state controlled body, for Middle East contracts.

EEC studies do, however, open up another, perhaps more promising possibility—the use of Articles 85 and 86 of the Treaty of Rome, which cover interference with free competition and abuses of dominance.

There is a natural temptation for his colleagues and member governments to blame the responsible commissioner for the inevitable setbacks of an impossible portfolio: "enlargement of the Community is an enormous job fraught with potential pitfalls, as he has already had opportunity to discover."

There is a natural temptation for his colleagues and member governments to blame the responsible commissioner for the inevitable setbacks of an impossible portfolio: "enlargement of the Community is an enormous job fraught with potential pitfalls, as he has already had opportunity to discover."

The Commission had undertaken to submit an overall report on the enlargement of the EEC to the foreign ministers by last October. One evening in Luxembourg, with the deadline almost upon them, they made a hasty examination of a draft proposed by Signor

market position. In November 1976 the EEC Commission reaffirmed its opposition to boycotts and said that where Articles 85 and 86 were violated the Commission was empowered to impose fines and to penalize the firms concerned.

There are three types of boycott operated by the Arab League countries through the Boycott Office in Damascus. The primary boycott simply forbids Arabs to trade with Israel in any way. The secondary and tertiary boycotts bring third parties into the dispute between the Arabs and Israel. Under the secondary boycott companies outside Israel or the Arab states which violate the boycott regulations lead down by Damascus—either by investing in Israel or by extending into certain categories of business with the country—can be blacklisted, which effectively means they are banned from doing business with Arab League nations. The tertiary boycott, which covers operations a stage further, penalizes those which do business with blacklisted firms.

The EEC has no interest in the primary boycott which is regarded as a legitimate form of economic warfare between two disputants. But the Commission is disturbed by actions which carry the boycott into Europe through the blacklisting procedure. It is felt that this might give cause to restrictions on trade. For example, one EEC firm supplying an Arab buyer might state that he would not purchase spare parts from another community firm which was blacklisted. This could, in certain circumstances, contravene Article 85.

While not themselves actively seeking out instances of such action, EEC officials have been making it clear that they would be very interested in investigating such a case should it be brought to their attention. This means that the initiative now lies firmly with the anti-boycott movement.

Signor Nazzari's colleagues, irritated by a report which, short of sugaring the pill, could not have been other than unsatisfactory, concluded that it was poorly framed and that, after all, it was not absolutely essential to submit a policy document to the Council of Ministers. "The report may well have been badly written," Signor Nazzari commented with a smile, "but the fundamental ideas got home." And indeed Mr Roy Jenkins, the President in a face-saving address to the ministers, repeated the main ideas set out in the report.

"There are no fundamental differences between us on the problems posed by the accession of Greece, Portugal and Spain," Signor Nazzari observed, adding with insidious but incisive perspicacity that "if there are any, they are to do with our understanding of what the

EEC itself means to us." In fact there are some commonalities, who are anxious to promote enlargement, because the possible watering-down of the Community into a free trade area is not a prospect that worries them—far from it. It would take a good deal more than this kind of backbiting from some of his colleagues to discomfit this old campaigner of Italian politics, a close friend of Signor Amintore Fanfani and, as a former minister of agriculture, a man well versed in the art and thrust of Community affairs. Although perhaps not conspicuous for his ideological convictions, he is a tactician not to be expected to allow himself to be hemmed in by his portfolio to the advantage of others.

The present trend in thinking bears out his approach. Few people are prepared to claim that the Community will emerge unscathed from enlargement. It is true that the accession of new members will put back hopes of the cohesion and autonomy of a united Europe. However, unexcitedly, this is the reality with which we have to come to terms. Only a few weeks ago such realism was being rejected by people—commis-

sioners and ministers alike—who, for all the reticence, are curiously intolerant of those who refer to it in other than glowing terms.

After his current tour of European capitals, Signor Nazzari having asked for and got the support which he knows he needs from the member states, will be ready to write the substantive document which everyone expects of him—and this time to win acceptance of it from his colleagues.

It will contain a few uncomplicated ideas. For reasons both political and economic, agricultural problems are most important but, if all the member states show willing, they are not insoluble. The pre-accession idea is doomed, first because it counts on real participation by the applicant countries in political decisions concerning Community life—which they want as soon as possible—and second because it is a sort of Marshall Plan for the benefit of the applicant countries, would not work. What is needed, Signor Nazzari emphasizes, is substantial financial transfers, but even more important, an aid programme closely geared to the aims of integration.

Still haunted by inflation

Mr Igal Hurwitz has been the Israeli Minister for Industry and Tourism since Mr Begin formed his Government at the end of June last year. A hearty, self-made man, in his fifties, he made his mark through his ability to resuscitate failed companies. Before joining the Government he had led a group of dairy produce businesses, among other interests. Politically, he has been a disciple of Ben Gurion from the start. Mr Hurwitz is interviewed here by Georges Levy.

To eliminate all measures providing artificial protection for our exports. Israeli exporters must take the plunge in the markets of Europe and the United States. Clearly, uncompetitive industries will inevitably suffer. Some firms may even have to close, but I think that most will be able to switch to other fields and the same will help them to do so. This is the price that has to be paid to restore order in the Israeli economy.

To what extent is the Israel-EEC agreement a factor in the recovery of the Israeli economy?

Since the agreements came into force in 1975, our exports to the EEC countries have risen by 30 per cent, from \$724m in 1975 to \$883m in 1976 and \$874m in the first 10 months of 1977, so that it may be surmised that the total for last year was in the region of \$1,000m. The breakdown of these exports is roughly as follows: one third in industrial goods, one-third in agricultural produce and one third in diamonds.

The agreement with the European Community is therefore important to Israel and, considered overall, is favourable to us. However, it will in all probability be necessary to review some aspects of this agreement, with some adjustments here and there, in particular regarding its industrial and financial provisions.

Our exports to the United States in 1977 amounted to \$600m, a substantial figure which I think we could double or even triple. Nevertheless, these agreements are no more than an operational framework for our exports. They will bring benefits to our exporters only if their products are competitive, and this means better labour relations in Israel.

Since a considerable section of Israel's industry is working directly or indirectly to supply the country's defence needs, would not a transition from a "war economy" to a "peace economy" necessitate a painful shake-out in industry which could increase the risks of unemployment considerably?

Peace in the Middle East, when it comes, will place us in a new economic environment and we shall have to adjust our economy accordingly. This will not present any special problems, however. Israel's defence oriented industries, notably the aeronautical industry, employ some of the best brains in the country and I am convinced that they will have no difficulty in switching to other areas. Moreover, most of the assembly lines in our armaments and aeronautical industries, which incidentally, are highly competitive, could easily be adapted to new requirements.

Despite the efforts made over the past 30 years, most of Israel's population is still concentrated on the coast and in Jerusalem. Do you have any specific plans to encourage people to settle in Galilee and the Negev?

We have to get away from the conventional methods attempted in the past and seek more original, even revolutionary, solutions. It is essential to improve the geographical distribution of the population. Some areas present particular

problems, for instance, those with a low Jewish population density, which call for special consideration. I for my part have plans which I intend to submit to the Government. Far-reaching proposals which include substantial material incentives to attract people in large numbers to settle in Galilee and the Negev.

Under the 1978 budget, 63 per cent of expenditure is to be given over to defence and repayment of domestic and foreign debt. In other words only 37 per cent will remain to cover economic and social spending altogether. This being the case, how do you hope to make progress this year in reducing social inequality?

For the time being we can neither cut our defence budget for obvious reasons, nor reduce the repayment of debt, since the Government's performance in this latter respect will determine its financial credibility. As for the rest, an order of priorities has to be established.

In my own view, our first objective must be to develop our economy through long-term projects which will secure our future. This means that we must cut spending which is not directly aimed at increasing production. In the last analysis, the key question confronting us is whether we wish to invest our resources or consume them. I sincerely hope that education, health and social security will not be cut, but our budget resources are meagre and, until the two biggest heads of expenditure (defence and debt servicing) can be reduced, we shall have to make the most of what we have at our disposal.

In the event of a peace involving Israeli withdrawal from the West Bank, do you think that the economic ties between Judea-Samaria and Israel will

be maintained and that the manpower resources from the West Bank will still be available to the Israeli labour market?

Today the frontiers between the state of Israel and Judea-Samaria are open and the two economies are fully integrated. Some 60,000 workers from Judea-Samaria and Gaza are permanently employed in Israel and there is no reason why this situation should not continue whatever political settlement is reached in respect of this region.

I am convinced that an independent Palestinian state will never see the light of day and consequently that there will be no artificial political frontiers between Israel and Judea-Samaria. I believe that economic cooperation should not be limited to the provision of manpower, but be developed in all sectors—agriculture, industry, tourism—for the benefit of all.

Still thinking in terms of the prospect of peace, which remains a possibility despite the ups and downs of the negotiations, do you see anything complementary between the Egyptian and Israeli economies and would there be scope for joint exploitation of industrial, energy and tourist resources in the region?

If peace comes—and that is still a moot question—I am convinced that our two countries will derive enormous advantages from it. I believe in the possibility of joint projects financed by capital drawn from the two countries. I also believe in the use of our advanced technical knowledge in agriculture and industry which will be offered enormous scope by the vast market which Egypt represents. Peace would also bring a boom in tourism. Indeed Egyptian investors in the tourist and other industries would be able to take advantage of the major concessions granted under Israeli law. We are even prepared to offer them the opportunity to invest in existing profitable concerns.

Elsewhere, I see no reason why our experts in cooperative organization, whose skills have become well known, particularly in agriculture, and who help many countries in the Third World, should not also give Egypt the benefit of their experience. I want to emphasize that I do not see cooperation as a one-way process, but as a means of making the best use of the economic potentials of both our countries.

Luxembourg

1000 Years of History
100 Castles
10 Different Wines

FOOD AND FINANCE

Who says finance and fine food don't go together?

Having successfully negotiated a business deal, relax over a gastronomic meal and a bottle of our Mosel wine.

As well as being a prominent financial centre of the EEC this beautiful and green country has many tourist attractions.

For more information about

 THE GREEN HEART OF EUROPE

contact:
LUXEMBOURG NATIONAL TOURIST OFFICE
66 Haymarket
London SW1Y 4RF
Tel.: 01-930 8906

On the contrary

Eleventh-hour decision

Yesterday, Today and Tomorrow agreed to discuss the progress of Europe. It was difficult to arrange: Yesterday usually had not business elsewhere; Today was always in a hurry; and Tomorrow tended to run late. But finally they managed it—tapping the clock.

"Well, I don't know", Yesterday said. "It is to me that we did very well. We started the dullest things imaginable—coal and steel. We survived the defeat of the European Community. We relaunched Europe at Messina with EEC and Euratom. We outlived General de Gaulle. And we got the British, Danes and Irish."

"Quite right", said Today gloomily. "But I had an easy job. People remembered the they were afraid of further conflict; and the economy was booming. Besides, all you did was set up a customs union."

"That was harder than you think", snapped Tomorrow. "And at least we were realistic. I didn't go round ranting about direct election to the European Parliament, economic monetary union, and bringing in three new member states. The trouble with that 'you're hopelessly over-ambitious' nonsense!"

"Tomorrow interrupted them. "Quiet, you said sternly. "I've got other things on my mind. A meeting of the European Council, the Joint Chiefs of Staff, then the Euro-Federal Reserve, and then a meeting to discuss this new World Resources Community. I must be off. I've started the clock again, it began to 11."

PANGLOSS

Architect of the impossible

by Philippe Lemaitre

Signor Lorenzo Nazzari, the 55-year-old Christian Democrat deputy for the Abruzzi, is a member of the EEC Commission who has the task of overseeing everything closely and remotely connected with the future enlargement of the Community—an enormous job fraught with potential pitfalls, as he has already had opportunity to discover.

There is a natural temptation for his colleagues and member governments to blame the responsible commissioner for the inevitable setbacks of an impossible portfolio: "enlargement of the Community is an enormous job fraught with potential pitfalls, as he has already had opportunity to discover."

The Commission had undertaken to submit an overall report on the enlargement of the EEC to the foreign ministers by last October. One evening in Luxembourg, with the deadline almost upon them, they made a hasty examination of a draft proposed by Signor

Nazzari, in which he reiterated the harsh truth of the matter: to bring enlargement to fruition without accentuating the shortcomings and difficulties of the Community as now composed and without mortgaging its future will be an extremely delicate and costly operation which will succeed only if meticulously planned and kept under constant supervision.

Signor Nazzari's colleagues, irritated by a report which, short of sugaring the pill, could not have been other than unsatisfactory, concluded that it was poorly framed and that, after all, it was not absolutely essential to submit a policy document to the Council of Ministers. "The report may well have been badly written," Signor Nazzari commented with a smile, "but the fundamental ideas got home." And indeed Mr Roy Jenkins, the President in a face-saving address to the ministers, repeated the main ideas set out in the report.

"There are no fundamental differences between us on the problems posed by the accession of Greece, Portugal and Spain," Signor Nazzari observed, adding with insidious but incisive perspicacity that "if there are any, they are to do with our understanding of what the

EEC itself means to us." In fact there are some commonalities, who are anxious to promote enlargement, because the possible watering-down of the Community into a free trade area is not a prospect that worries them—far from it. It would take a good deal more than this kind of backbiting from some of his colleagues to discomfit this old campaigner of Italian politics, a close friend of Signor Amintore Fanfani and, as a former minister of agriculture, a man well versed in the art and thrust of Community affairs. Although perhaps not conspicuous for his ideological convictions, he is a tactician not to be expected to allow himself to be hemmed in by his portfolio to the advantage of others.

The present trend in thinking bears out his approach. Few people are prepared to claim that the Community will emerge unscathed from enlargement. It is true that the accession of new members will put back hopes of the cohesion and autonomy of a united Europe. However, unexcitedly, this is the reality with which we have to come to terms. Only a few weeks ago such realism was being rejected by people—commis-

sioners and ministers alike—who, for all the reticence, are curiously intolerant of those who refer to it in other than glowing terms.

After his current tour of European capitals, Signor Nazzari having asked for and got the support which he knows he needs from the member states, will be ready to write the substantive document which everyone expects of him—and this time to win acceptance of it from his colleagues.

It will contain a few uncomplicated ideas. For reasons both political and economic, agricultural problems are most important but, if all the member states show willing, they are not insoluble. The pre-accession idea is doomed, first because it counts on real participation by the applicant countries in political decisions concerning Community life—which they want as soon as possible—and second because it is a sort of Marshall Plan for the benefit of the applicant countries, would not work. What is needed, Signor Nazzari emphasizes, is substantial financial transfers, but even more important, an aid programme closely geared to the aims of integration.

Facts and figures

Economies still mediocre and uncertain

by Maurice
Bommensat

Scrutiny of the most recent set of results for output points up once again the mediocrity and uncertainty of the economic situation. Even West Germany's industrial production, which had seemed to be on the point of rapid improvement, has remained rather flat. This was despite the growing signs of an improvement, with a sharp rise in orders during November (up by some 14 per cent since the low point in July) and a slight increase in unfilled vacancies, which usually augurs well.

At the same time much apprehension has been caused by the way the dollar has fallen, pushing up the Deutsche mark to new heights. If recent surveys are to be believed, wage costs in West Germany are now the highest in the world, having outstripped those in the United States, with Japan and France far behind.

In the face of this national danger, the trade unions and employers have resumed con-

sultations after their disagreement over legislation on workers' participation. The Germans' reaction is to keep an even closer watch on costs and place further emphasis on wage moderation with the aim of safeguarding the competitive position of their products.

In France, after the decline of recent months, output has risen slightly. But stagnation will continue at least until the spring, when a slight recovery is forecast by the statistical institute. At their last meeting, the French employers came out in favour of vigorous expansion to produce a growth rate of between 5 per cent and 6 per cent, with a redeployment of resources in new sectors.

According to their thesis, this cannot be achieved without the removal of the administrative constraints restricting industrialists, particularly the "French style" price controls blamed for the collapse of several industries, such as papermaking.

At all events the gyrations of the dollar seem to be having a far less disruptive effect in France than in West Germany. To judge from the franc's position at a halfway house between the dollar and the Deutsche mark, France would seem on balance to be better off, with cheaper oil imports and greater profits from exports to West Germany.

Britain's case is entirely different, with its currency being pushed upwards, away, by as fast as the Deutsche mark and the yen. This is an interesting development, since it has provided a great boost in efforts to combat inflation, which are still proving highly successful with prices rising at barely 6 per cent.

Austerity is beginning to pay off. For the first time in many months real purchasing power started to rise again during the last quarter of 1977. Companies have also seen an appreciable improvement in profits and are expecting to step up investment by 20 per cent in 1978.

Do these developments foreshadow a real recovery? The British hope so; they do and that it will come in 1978—spontaneously and, if necessary, as the Government has promised, with a helping hand from further tax relief (in

exchange for undertakings on wage restraint; to avoid slipping back into bad habits). Further grounds for optimism are to be found in the year-end report which the Government can present: a balance of payments surplus (£59m) for the first time since 1972 and foreign currency reserves in excess of \$20,000m, which place Britain in the top bracket alongside West Germany, Japan and Saudi Arabia. The problem now is to use this North Sea manna as quickly and as wisely as possible to rebuild industry.

If Britain can look forward to early improvements, the same is unfortunately not true of Italy. Nevertheless, the im-

provement in the country's external position is well under way and it too, can point to a \$1,600m balance of payments surplus, the first for five years, while the lira has recovered from the setback sparked off by the political crisis.

However, alongside these altogether respectable financial results, Italy's economic performance remains disappointing, with a 6 per cent fall in growth (although it picked up slightly in December) and unemployment at a very high level (7.5 per cent). These poor figures will perhaps have the saving grace of persuading the unions and political parties to behave more responsibly and convincing them of the urgent need to find a solution to the crisis.

Whereas none of the four European countries is willing or able to break away from declining or stagnating growth (even West Germany, in the person of Chancellor Schmidt, recently rejected expansionist measures once again).

the other two leading Western countries, Japan and the United States, have now taken action. On January 13 they signed an armistice to end the bitter economic and monetary hostilities between them and this seems to signal a turning point to Japanese economic policy.

Japan is no longer able to count on exports, nor on a rapid rise in spending by consumers for whom frugality is a way of life, or of course on industrial investment at a time of surplus capacity and bank-ruptcies, so that it is obliged to fall back on other ways of restoring balance to its threatened economy. Hence the massive budget deficit, representing 37 per cent of revenue, brought about by a sharp increase in spending on public works. It is hoped that the financing of this programme will soak up the surplus in savings, which are still running at the extraordinary level of 25 per cent of the national income, although investment has plummeted to 13 per cent.

However, Japanese experts and industrialists are sceptical about these government projects.

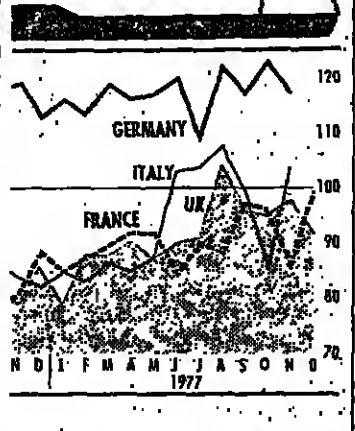
The Americans are similarly sceptical in their attitude to the promises by President Carter, whose popularity has fallen off considerably according to recent opinion polls. An Associated Press survey found that 57 per cent of the American people described their President as average or bad. For all this, the economic results achieved in 1977 were not inconceivable; indeed they were good enough to make the European countries envious—GDP up by 4.9 per cent (compared with 2.4 per cent in West Germany and 2.7 per cent in France), unemployment substantially reduced with the creation of four million jobs, inflation down to 5 per cent. The situation would be highly satisfactory, were it not for the slowing on one other vital front: the trade balance.

There can be no doubt that these achievements have been

seriously compromised by the long series of errors of judgement, particularly the Carter team's record. Will they be able to come to grips with a situation which is now deteriorating again? The growth rate is in jeopardy, as witness the most recent figures for industrial output (only 0.2 per cent in December, while in addition those for October and November have been revised down to 0.2 per cent and 0.4 per cent respectively); investment in 1978 will be lower than forecast (up by 4.5 per cent only); inflation is threatening again, to judge by the acceleration in wholesale prices and interest rates are rising (the prime rate is at 8 per cent).

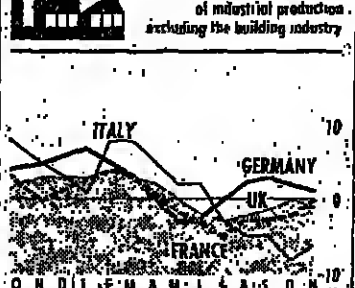
The action envisaged by the United States Administration, such as the \$25,000 tax cuts or the new support for the dollar under the "swap" agreements concluded with the Bundesbank, will only be effective if the American policy commands the confidence of the American people and others in the West.

FOREIGN TRADE



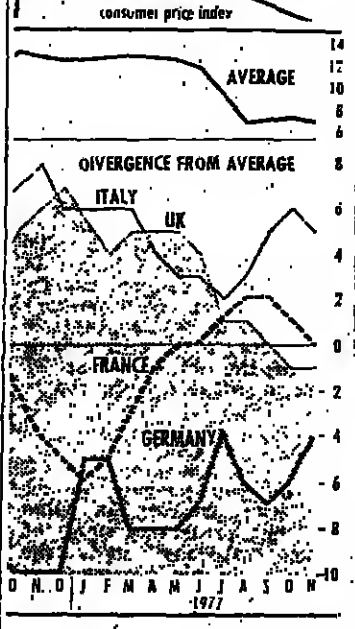
Foreign Trade: Seasonally adjusted cover of imports by exports is almost unchanged in West Germany (120 per cent) and Britain (still about 100 per cent despite December's slight deficit), while it has recovered strongly in France from November's anomalous figure (86 per cent) to 99 per cent in December and similarly in Italy between October and November (from 86 per cent to 104 per cent).

INDUSTRIAL GROWTH



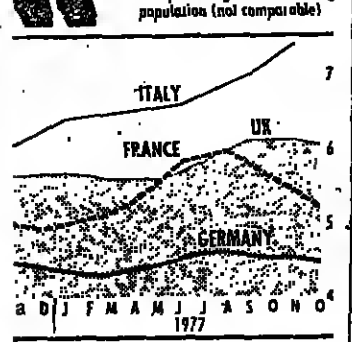
Growth Rate: The decline in industrial output appears to be leveling off in Britain (1.1 per cent) in France (nil growth) and even in Italy (-6 per cent). The West German recovery remains unspectacular (+1 per cent to 2 per cent).

PRICES



Prices: After last month's rise to 7.4 per cent, the average rate of inflation in the four countries has fallen back to 6.8 per cent. The main credit for this goes to France, where the rate is now below 8 per cent. Little change in Britain (6 per cent) or West Germany (between 1 per cent and 2 per cent), but no clear trend in Italy where November was bad and December better.

UNEMPLOYMENT



Unemployment: December saw a fall in seasonally-adjusted unemployment as a percentage of the working population. The improvement was marginal in West Germany (from 4.5 per cent to 4.45 per cent) and in Britain (from 5.1 per cent to 5.05 per cent) but substantial (from 5.4 per cent to 5.15 per cent) in France, which has recorded its fourth consecutive monthly fall.

Cocoa market a playground for speculators

by Leo Fischer

"Buy a contract on the New York cocoa market," said the great Winfield. "The price of cocoa drops three cents, and I lose money," I replied. "How can the cocoa price go down?" the great Winfield countered. "The Great Mooney Game," by Adam Smith.

This dialogue was quoted by a commentator writing under the pseudonym of the classical economist back in 1954, when the Wall Street brokers, faced with a lack of opportunities on the stock market, were investigating the other types of market and discovered cocoa. It could equally well have been heard last summer: pickings were lean on Wall Street, while prices on the New York cocoa market were reaching new record levels every day. On July 18 the price of cocoa on the London Commodity Exchange was a record £3,128 a ton (secondhand), this represented a more than fourfold increase in 18 months.

The speculators, who played a large part in this boom, suffered the same fate as "Adam Smith's" 1954 characters, who made early profits only to lose their original stake—and more besides. During the second half of last year the cocoa price collapsed, dropping in six months to £1,610.50.

How is it that prices can vary so erratically in such a short time? The answer is that the cocoa market is basically a

playground for speculators, who revel in a market where there is little firm information, and dealings accordingly change every change in hopes and expectations. The large speculative element is a major reason for the enormous fluctuations in prices.

The price rise began back in 1975, as a result of a shortage of cocoa for immediate purchase. This was followed by bold-ups in unloading in the Port of London, and reports from African producers of supply difficulties. As a result, supplies to Europe and the United States were sporadic. It is still not clear whether these supply problems were genuine or whether shortages were because of deliberate holding back by suppliers. Whether or not the situation was engineered, the producer countries took full advantage of it, and even sold part of the 1977 crop while prices were at their peak.

There were, at the time, rumours (possibly deliberately disseminated) that the coming cocoa harvest was going to be disastrous. In the event, production did drop back to 1,330,000 tons after the bumper crop of 1,510,000 tons in 1975-76. Panic buying by manufacturers who needed immediate supplies, and the intervention of the speculators together sent prices soaring. In the second half of 1977, however, it gradually became clear that what many had already suspected was true.

The real situation, shown by figures for production and consumption, did not justify any increase in prices in the face of a recurrent production surplus in 1977-78.

The London cocoa traders Gill and Duffus, whose views are seriously regarded by the market, forecast the 1977-78 crop at 1,460,000 tons (4.93 per cent)—a crop of 1,500,000 tons is regarded as a good year. More than two-thirds of this comes from Ghana (320,000 tons), the Ivory Coast (255,000), Brazil (249,000) and Nigeria (220,000).

Almanac cocoa comes from developing countries, but the major consumers are the industrialized nations. Consumption is measured by the figures for grindings: Gill and Duffus estimates these in 1977 at 1,370,000 tons, the lowest figure since 1970. For the crop year 1977-78, the equivalent forecast is 1,350,000 tons, 4.3 per cent lower than 1976-77 and 31.2 per cent lower than 1975-76. After allowing for losses in storage, this implies a surplus of production of 99,000 tons.

Grindings in the biggest consumer country, the United States, fell 5 per cent in 1977 to 183,700 tons—even lower than Gill and Duffus had forecast. In West Germany, the second largest consumer, grindings rose against all expectations by 12 per cent to 142,293 tons.

Even this last bit of good news, which emerged in the

middle of last month, could not stem the downward trend of cocoa prices in the face of overwhelming negative influences: the rise in the price of chocolate, together with the stagnation in demand (producer prices had risen 6 per cent in West Germany in the first half of 1977, and the retail price of chocolate in the United Kingdom rose 20 per cent in the same period). And chocolate is the most important use for cocoa.

The leading merchants and brokers are wary about price forecasting. In their latest commodities review for this year, the London brokers Eirocharts dismiss as an impossibility serious price forecasting in the cocoa market. "This is largely because of the policy of the African producer countries in information: there is a suspicion on the London and New York cocoa markets that these countries are trying to conceal the true production figures to keep prices at least at present levels."

This level is high: from 1970 to the beginning of the price rise in 1975 the London cocoa price remained between £350 and £750. This is another reason why most brokers believe that prices will continue to fall. But short-term speculators cannot hope for early price reductions. Chocolate, being manufactured now is made from cocoa bought at peak prices.

WHEN YOU SEE A MAN READING THE ASIAN WALL STREET JOURNAL YOU ALREADY KNOW A LOT ABOUT HIM.

Now we can tell you even more. Here are 7 important facts that have emerged from a special in-depth, subscriber study conducted by the eminent market research organisation, Erdos & Morgan Inc.

1. Chairman, President or Managing Director.

He is almost certain to be a top man in a big corporation. One in four are actually Board Chairmen, Presidents or Managing Directors of major companies. 62% are Vice Presidents, Directors, Regional Managers, General Managers or Treasurers or bear titles which identify them as top management. 96% are decision-makers in top and middle management, government and the professions.

2. Income US\$62,000.

He is certainly affluent and his life style, mobility and the nature of his discretionary purchases are functions of an annual average household income of US\$62,000.

3. Key man in big corporation.

His corporation spans the region. His company averages more than 3,000 employees and more than US\$300 million in annual revenue. His influence spans the corporation. 52% have international responsibilities. 48% control and direct finance. 19% serve as advisors or consultants to Governments.

4. Manufacturing and service industries.

Half of these executives are in manufacturing and the service industries. 98% are in business, government and the professions.

5. Frequent international traveller.

As frequent business and pleasure traveller with an average of 16 trips a year and 51 days stay in hotels, he is discriminating in his choice of airline and accommodation. 72% usually specify the airline. 28% fly first class. 80% select hotels for visiting friends and business associates.

6. A rich automotive market.

85% own or operate one or more passenger cars and over half of them intend to purchase a new car within 12 months. 73% of those who operate a company car select its make. 39% are involved in fleet purchases of trucks, cars and trailers for their companies.

7. Habitual Asian Journal reader.

The Asian Wall Street Journal reader is a busy man who travels extensively and has heavy demands upon his time. He still invests 35 minutes of his valuable time to read the Asian Journal in the office. 3 out of 4 read every issue.

If you would like to learn many more facts about the 40,000 affluent men in Asian business who read The Asian Wall Street Journal every day attach your card in the space provided.

Attach your card here and mail to:

Jeremy Ray,
Dow Jones International
Marketing Services
New Printing House Sq.,
Gray's Inn Road,
London, W.C.1.
Tel. 278 6092/3
Telex. 22504

or
Joachim Nunvar,
Dow Jones International
Marketing Services,
Savignystrasse, 29,
Frankfurt/Main,
Tel. 74 57 40
Telex. 414902



THE ASIAN WALL STREET JOURNAL

Firms upset by uniform secrecy rules

by Hans Baumann

The Council of the European Communities has completed a package to go before the ministers of the Nine for endorsement in legislation, dealing with the disclosure required of European companies. This will affect the European equivalents of the British public companies limited by shares or guarantee—in West Germany the Aktiengesellschaft, the Kommanditgesellschaft auf Aktien and the Gesellschaft mit beschränkter Haftung; in France the Société Anonyme and the Société en commandite par actions; and in Italy the Società per azioni and the Società in accomandita per azioni.

The council is seeking to achieve greater comparability of the various European forms of public companies, and also to increase the information available. In 18 months, the finances of European companies will be open to inspection as never before. Business opinion is naturally disturbed at this frontal attack on corporate secrecy, particularly in Italy, France and Britain. West Germany is farthest along the road to the council's ideas and proposed legislation on disclosure, but even here there is much controversy over the council's Clause 4 which would include the Gesellschaft mit beschränkter Haftung in its scope.

West German critics point out that 90 per cent of such companies have assets of less than 1m units of account, and a further 5 per cent have assets between 1m and 5m units. The same standards cannot be made to apply to these businesses as to the larger corporations. Since opinion in the rest of Europe agrees on this, it seems likely

that these smaller companies can expect less stringent requirements.

But there are also differences over accounting methods in Europe: West Germany is balking at the council's recommendation that company assets should be valued at replacement cost. While this is a familiar concept in the other eight Community countries, the West German administration still insists on historic cost accounting. Business opinion in West Germany generally would be pleased to see replacement cost accounting introduced, removing the need to make provision for losses arising from inflation. The administration maintains that inflation must be opposed, rather than heaped on to the tax structure. This point of view will be firmly adhered to at the ministerial level.

The stumbling block in Clause 4 is Article 41, with its 14 requirements for European companies:

1. In future, the method of valuation used must be shown, either in the annual report or in a footnote to the accounts as must the accounting methods used in adjusting valuations. Assets in foreign currencies must show the exchange rates used for conversion. This has not been the practice throughout Europe until now.

2. The name and registered office of holders of 10 per cent or more of the capital of another company must be given, together with that company's capital and the size of the shareholding. The company's reserves and last year's results must also be given.

3. Where the company has authorised capital, the annual financial statement must state how much of this has been issued (number of shares and nominal value).

4. The type of shares involved must be shown as well as their nominal value.

5. Where the firm issues dividend-right certificates, convertible bonds or similar securities, the amount of these must be shown together with the rights involved.

6. This requires companies to state the amount of their liabilities with a term of more than five years, and the amount of liabilities secured against physical assets, and also the nature of such liabilities.

7. All financial liabilities over 100,000 units of account must also be disclosed, so far as these are relevant for assessing the company's financial situation. Liabilities for pensions and for associated companies must be separately shown.

8. This requires a breakdown of net turnover by type of product, as set out in Article 25 of Clause 4, and also by company division and geographical breakdown of the market. The contribution of each market and product category to the annual results must be shown separately. This provision has caused a great flurry among the big companies. Such a breakdown of turnover by market and product group can provide competitors with considerable insight into the state of business. If, for instance, a company is attempting to break into a new market, its competitors would be able to see its market position from the annual statement, and take appropriate countermeasures. The British delegation is to put forward a revised version of this section at the ministerial session.

9. Employment during the annual period and salaries must be shown broken down into categories.

10. Taxes must be shown according to operating results, financial results and any unusual results.

11. The report must also show the results of the annual audit is not liable for tax. 12. In future the difference must be shown between the provision for tax in the profit-and-loss account and the tax liability for the year, where this is relevant for assessing the amount of future tax. 13. This provision is aimed at increasing the information on the income of directors of large companies. In future the total income of members of the board, as well as pensions to past members, must be shown. In a number of countries it is already the practice to publish total emoluments to directors, but this will in future have to be broken down according to the type of director (supervisory board for instance). 14. Besides fees, other forms of payment to directors must be shown in future, as well as advances and loans. The persons concerned must be shown together with repayments during the current year. Where the company acts as guarantor for such persons, this must also be shown.

Article 11 requires companies to show, either under liabilities or in a footnote to the accounts, what guarantees have been entered into, broken down by the type of guarantee (depending on the laws of the individual country). In addition, the collateral involved must be shown. Guarantees relating to associate companies must also be shown in detail.

All this will result in the accounts—and hence the operations—of the big European companies becoming more open to analysis. With increased comparability more precise comparisons will become possible within the European economy, creating opportunities for new joint ventures. The increase in disclosure will result in lower footers within the communities.

New economists I: Professor Fred Hirsch

Yardstick for welfare

by David Blake

Most discussion of economic growth in recent years has concentrated on whether it is possible and what needs to be done to achieve it. The division has been, fairly simply, between the optimists who think that the economies of the world, and particularly the Western world, can go on growing rapidly and the pessimists who feel that we are approaching or have already reached the limits imposed by our planet's lack of resources.

Even the world recession has done little to blur this distinction. Some people who were once optimists, have now become pessimists, and the idea that there are structural difficulties that make growth harder to achieve has gained popularity.

It is because he managed to inject a new dimension into the debate on growth that Professor Fred Hirsch, who died in the age of 46 last month, was so successful in capturing the attention of academic economists and general readers alike. In a book published last year, Professor Hirsch tried to deal with three basic questions which emerged from postwar economic experience. He did so in a way which involved few figures and no quotations but none the less contained some of the most intensely argued reasoning which has been seen in economic thought recently.

Simply put, Professor Hirsch tried to answer three questions. They are: first, why does economic advance remain such a powerful force and a target for individuals while seeming not to produce a happier society when all achieve it?

Second, why has the general increase in living standards not led to a euphoria of economic and social conflict? The living standards of most individuals in the West have risen greatly in the postwar period because of growth, and this growth has contributed to a much greater increase in material wellbeing than could ever come about from redistribution. Yet society has become more concerned with the way that wealth is distributed, not less.

Third, although social attitudes have become more individualistic, with a greater emphasis on the freedom of individuals in such matters as sex-

ual standards, there has been a persistent drift towards state intervention and collective action in the economy.

Professor Hirsch's argument is that the three issues are intertwined and that they stem from a single source. The problem is that economic growth as we measure it is no longer an adequate yardstick for assessing the welfare of society.

Central to this thesis is the idea of "positional goods". If welfare is just a matter of colour television sets and dish-washing machines the old standards which have been used ever since the days of Adam Smith still hold good. Increasingly the pattern of consumption, and even more important, the pattern of desired consumption, is switching away from goods of this kind. More and more individuals seek the kinds of goods which cannot be produced in limitless quantity.

Take the fairly simple example of a car, which at first sight can be produced in unlimited numbers. But it is not just cars that consumers want. It is the right to drive them wherever they like on reasonably unobstructed roads, through the sorts of areas where they can look at beautiful scenery. Yet if everyone has a right to a car this becomes impossible. Either the roads are not built or they are constructed and the scenery is destroyed. Either way, there is a limit to the provision of goods.

This example of physical congestion is similar to many of the ideas which have concerned economists in recent years seeking to apply special cost-benefit analysis. They have tried to measure the cost of such matters as congestion and to do so in money terms.

Their efforts have not been entirely satisfactory, but they do represent a step forward from the old idea that there are no costs at all in the ownership of private goods.

However, Professor Hirsch went far beyond this stage of thinking. He turned his attention to questions other than physical congestion and he focused on what can be done to relieve the costs that emerge as more and more people seek to have the same benefits.

For many goods, it is impossible for everyone to have them. There is a limited number of genuine Vermeers and nothing can be done to increase it. This might be dealt

with through the price mechanism, simply by raising the price of Vermeers and forcing people to forgo other goods.

But there is a limit to this. There comes a time when such a high proportion of what people want consists of things which are in limited supply that the idea of growth becomes of limited meaning.

This is particularly true in the case of a whole range of social limits. We can all hope to be head of the government of our country, but only one person at a time can actually hold the post.

This simple example applies more importantly to education, which has widely been seen as the path to economic and social advancement. The problem is that because everyone feels that they have a right to follow this path the number of people going through the education system at the higher levels has gone up. In the process, the value of such an education has been reduced because a filter which tests everything through ceases to be a filter at all.

It is because more and more of the goods which individuals want in society are of the kind that cannot be produced in ever-increasing quantities that Professor Hirsch argued that economic growth is becoming increasingly difficult to achieve.

Because people want more and more of those things that only a few can possibly have, also explains why concern about the distribution of wealth in society has intensified.

Also as more and more goods are of the kind that individuals cannot all hope to get on their own, there has been a spread of reluctant collectivism throughout the West.

The conclusion which follows from Professor Hirsch's argument may have surprised many who knew his earlier works. He began as an economics journalist with *The Economist* in the 1960s before joining the International Monetary Fund. From studies on the international monetary system he moved on to research, first at Nuffield College, Oxford, and then at Warwick University.

When he died, he was working on the most serious criticism of his argument, that it elevates what is a problem of a few goods into a central position in economic discussions.

Social Limits to Growth, published by Routledge & Keegan Paul, £5.50.

by Rainer Gatermann

It is now roughly a year and a half since a coalition of centre-right parties ousted the Social Democrats from power in Sweden after 44 years in office. The greatest problem that the new Government faces is the crisis in the economy. How does Swedish business opinion see the situation?

Mr Hans Werthen is the chairman of the supervisory board of AB Electrolux and a leading light in Swedish top management. When I asked him for his views, the subject soon arose of the Government's controversial energy policy. Although he supports the Conservative Party, one of the parties in the triple coalition that won the election in spring 1976, Mr Werthen can find nothing good to say for the Cabinet headed by Mr Thorbjörn Fälldin of the Centre Party, an opponent of nuclear power.

"Sweden needs 50 reactors, not 10", Mr Werthen stated, challengingly, "and we must make use of our uranium deposits and every last drop of exploitable hydroelectric power". There are still four Swedish rivers that have not been harnessed for electricity generation.

Mr Werthen is the head of a company which has successfully overcome the economic crisis, but besides criticizing the coalition's energy policy he has harsh things to say about its economic policy. He accepts that the root of the problems is the oil crisis of 1973, which faced the affected countries with a choice of policies.

For a number of reasons, Sweden could not follow the path taken by West Germany and Switzerland, among others. An example is the policy on immigrant labour. Sweden does not recognise this category, treating all foreign entrants as genuine immigrants and integrating them accordingly into society. Despite the acute unemployment problem in West Germany, Mr Werthen feels that "it is clear in retrospect that West Germany and Switzerland had the right idea".

Speaking of the premisses given to full employment in Swedish policy, Mr Werthen says: "Sweden deliberately accepted lower exports and rising imports in order to stimulate domestic demand, which in its turn was to preserve full employment." Among other consequences, this led to Sweden pushing ahead too fast in the 1974 tariff round, leaving Swedish industry high and dry. Subsidies for stocks and wages followed, along with other government grants of various kinds.

"At this stage the policy seemed to be working: Sweden was one of the few countries besides the Opec group with a strong economy." But the second stage of this strategy never got off the ground: the expected upswing in the international economy in 1976 failed to materialize. The stocks that had been piled up were to have been run down to meet expected higher exports, and the balance-of-payments deficit was to have melted away. In anticipation of this upsurge Sweden had committed itself in 1975 to a two-year reduction of tariffs, and this was the point where Mr Werthen believes the decisive error lay.

The runaway wage increases further hampered exports hit by declining

demand. The Swedish share of foreign markets fell from 1975, in 1977 Sweden held 21 per cent of OECD markets. It would have been better to let government spending rise, cut taxes and let the government borrow on the international market, instead of forcing companies to do so. This would have held back the wage increases, and industry could have kept its market shares, given constant competitiveness.

After the economic disaster, faced with the 45 per cent increase in unit labour costs over three years, the non-Socialist Government found itself in a cleft stick. "Devaluation of the krona was one possibility. It was right to leave the snake. It was simply not possible to follow West Germany and the Benelux countries and still carry on as we had been doing."

It will be some time before the Fälldin Government's restrictive economic policy starts to take effect. Much depends on the outcome of the tariff negotiations in progress. Sweden's level of costs is high. Mr Werthen, however, vigorously rejects the accusation, heard on many sides, that the major companies are prepared to shift their activities abroad in order to avoid their social responsibilities: after failing to look after their markets in better times.

"In the light of our international successes our industry can't possibly be so bad. We have also set up thriving subsidiaries abroad, and we are paradoxically being criticized for establishing ourselves in countries where, according to the same critics, we are supposed to be inferior to the national industries. Generally speaking, our foreign subsidiaries are an important export market for Swedish machinery and equipment."

Mr Werthen sees no basic difference between exporting to the EEC or to Efta. "The decisive factor is the nature of the goods concerned." The EEC is not, he points out, a simple uniform region: "French policy is nationalistic, aimed at developing its own industries; England is still protected by a slightly lower wage level; West Germany is a powerful industrial country, and with its central position it has a tremendous commercial tradition." Where there are barriers to trade, these are, he feels, often based on tradition rather than tariffs.

Hans Werthen: born June 15, 1919; chairman of the supervisory board of AB Electrolux, Stockholm; previously chairman of the board of directors, 1967 to 1974. Member of a number of other supervisory boards, including chairman of Graenges (mining and steel company), also member of the Broström shipping company. Before joining Electrolux was deputy chairman of the telecommunications company LM Ericsson. Graduated 1946: member of the Royal Institute of Technology, on the council of the International Chamber of Commerce (ICC). Hobbies: music, history and mountaineering. Married in 1950, three daughters.



Sweden's rivers can give last drop of power

He believes that the turning point for the Swedish economy will come in the first half of this year. As part of a strategy to restore the economy, improve demand for exports and bring down production costs, Mr Werthen recommends a whole-hearted policy of development of the energy sector. "We should not be building up debts abroad to encourage consumption, they should be used to finance investment." And the appropriate form of investment is nuclear power-stations, development of uranium mines (Swedish deposits are the largest in Europe) and the harnessing of the Swedish rivers.

If this were done, Mr Werthen maintains, Sweden could add to its exports, electricity and refined products, like aluminium. It could develop alternative fuels for transport systems. All these ideas have a common aim, that of reducing Sweden's balance-of-payments deficit by raising exports and reducing imports. In 1977 this deficit was of 16,000m Swedish kronor, and this year official forecasts are 17,000m. The Swedish oil deficit is about 15,000m kronor.

Mr Werthen has, therefore, little sympathy with the Swedish anti-nuclear movement, which is now firmly established inside the Government, with the Centre Party. "There is an element of risk with nuclear power. But it is not just a risk with oil, the damage is already done."

In a sharper vein: "It is simply national hypocrisy to go on about the developing nations and, at the same time, to be unwilling to reduce our own oil consumption, although we are sitting on the largest uranium deposits in Europe. Is it idealistic to use a veto to preserve a heavy spot in a country full of such natural beauties, at the expense of future generations and of the developing nations' energy requirements?" This is a reference to the declared intention of a number of Swedish local authorities to use their veto to obstruct uranium mining, should the Government decide to go ahead with it.

The present energy debate, according to Mr Werthen, presents a false picture. The supply position is already critical for Sweden, and is only tolerable because of the low level of industrial production. When this rises, energy needs can be met only from oil which will shortly be dearer. This, in Mr Werthen's eyes, is what will determine whether Sweden emerges from its present crisis with new vigour.



BRITAIN IS SOUTH AFRICA'S MOST IMPORTANT TRADING PARTNER.

Here's what we're doing our end to help British importers and investors.

Britain is still South Africa's most important market for her exports. British imports range from vital foodstuffs to essential raw materials.

And South Africa herself imports more than £600m of British goods every year. (Britain in fact enjoys a healthy visible and invisible trade surplus with South Africa, helping redress her overall trade deficit.)

This traffic is vital to the economy of both countries, and is one of the chief reasons why South Africa has just completed a massive investment in the most modern containerisation facilities in the world. This new service has meant new ships, new docks, new port handling plant, new trucks, new rolling stock. Comparable investment has been made by Britain with new ships and containerisation facilities at Southampton.

Containerisation means faster freight handling, goods arriving in better condition, and less risk of pilferage. But if the economic savings of containerisation are to be enjoyed to the full those boxes have got to be full both ways.

We are here, at South Africa House, to give importers from South Africa, and potential investors in South Africa's ebullient economy, all the help we can.

We have always been a giant in the field of raw materials. This natural endowment is today linked with an industrial technology, and manufacturing resources which match any of the developed countries of Western Europe.

Capital investment in South Africa can be very rewarding as the expanding investments by many prominent world business leaders have proved.

Importers from South Africa know that delivery dates will be met, quality control will be stringent, and prices keen.

For more information, please contact:

The Minister (Commercial),
South African Embassy,
South Africa House, Trafalgar Square,
London WC2N 5DP. Tel 01-930 4488.



Trading partners for 200 years.

THE TIMES

1000

1977-1978

Turnover... Profit... Capitalisation

The world's leading annual industrial and financial review lists and analyses:

- ★ The Top 1000 UK Companies
- ★ The leading UK clearing banks, finance houses, accepting houses, insurance companies etc.
- ★ Major world companies: The 500 largest European companies, plus American, Japanese, Canadian, Australian, South African and Irish companies
- ★ Largest mergers and leading profit makers

Special new features this year:

- ★ Top 25 UK advertisers
- ★ List of foreign banks in the UK

PLUS many other informative tables

Published by TIMES BOOKS

£8.50 plus 85p p & p

Available from leading bookshops or by postage only from Times Books, 18 Ogle St, London W1P 7LG



New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

MONROE DOCTRINE FOR AFRICA?

There is anxiety and resentment over the Russian presence in Africa, not over the supply of arms, but the supply of aid. The Cubans would be fighting in Angola and Africa, or providing military and other warlike services and in other African theatres, without Russian aid. Nor would Russian approval, would European states be supply security personnel and police surveillance techniques to any African Governments. Over the stage has been set at which, emboldened by successful establishment of their proxies, the Russians themselves sending in perils. The eagerness of their navy to obtain bases, friendly port facilities on its coast-line and in its off-shore states has led to a kind of overreaction that many parallels with the bipolarism of the Cold War. Leaders exceedingly

easy to rehearse the failures of Russian intervention in African affairs as well as the new dangers which will throw them out. The advent of Cuban troops to the Russians have been from those experiences, using military forces to infiltrate the apparatus of African and thereby to bring under Marxist colonialism. The analogy with the way the Russians have been in the eighteenth and nineteenth centuries is not far off. Civil wars, factional fights for power, as in Africa and Ethiopia, have given Russians leverage; so has the very complexity of the weapons Africans have induced to buy. Support for

a Marxist or near-Marxist party soon turns into a permanent presence.

The process has been revealed more explicitly, and on a larger scale than ever, in the Horn. The Russians first penetrated Somalia and got naval base facilities in return for training an army which (in the light of the past frontier conflicts) could have only one purpose. When Ethiopia turned to less Marxist, the Russians, perhaps only temporarily, cut their losses in Somalia; they went for the bigger prize—offering the new revolution aid, of the new Angola-type, to crush the Somalia nationalist in the Ogaden (and the Somali army backing them) to crush the Eritrean national struggle for freedom, and to reunify the old empire by force. The surrounding states, as well as Somalia, are alarmed and calling for help. Success in Ethiopia will be a warning to the whole of Africa that Marxism is the new power.

So far the West has looked on helplessly at this late twentieth century caricature of its own past dealings with Africa. It knows it cannot stop Africans becoming Marxist if they wish (there is little sign that the masses, even the intelligentsia, do wish). It has been hamstrung by its involvement with Rhodesia and South Africa, which Russia is able to exploit. Hence the re-alignment of American policy behind African nationalism in the South.

This may help, but it does not stop the growing invasion of outsiders into Africa, and into key roles. It is this which ought to be checked before the great powers fight proxy wars in Africa, something Africans have every reason to abhor and to combine to prevent. Historical precedents are never perfect, but it may be put to Africans that a Monroe doctrine for Africa is

what is needed now. Just as the United States in 1823 forbade European outsiders to intervene with arms in the arena of the ex-Spanish colonies in the New World, it would be in Africa's interest if outsiders were forbidden to take sides directly in the African ex-colonial scene. Inter-African disputes are inevitably sacrosanct. The fight against apartheid must go on. Africans cannot be prevented from buying arms. Expatriate experts, on top but not on top, they will need for some time. But foreign armies, including mercenaries, they ought not to have, for these overlay African disputes with superpower manoeuvres.

There seems no reason why the European ex-colonialists and the Americans should not put forward a doctrine of non-interference in Africa, and take it to Russia as a component of détente. It is not just the Indian ocean that needs to be cleared of rival naval forces; the land terrain needs to be made taboo to the implanting of foreign forces as well. Let Africans settle African issues, by force if they must. But let non-Africans keep out, and let the Organisation of African Unity add this requirement to its rules—which would be wholly in conformity with them.

Of course there are complications. Lines have to be drawn. But calling in foreign troops is a deadly drug for Africa, as surely history shows. The right policy for Africa is the elimination of all foreign troops; that ought to be the British policy; it ought to be the European policy; it ought to be the American policy; it is already consistent with the declarations of the OAU. If the Soviet Union and Cuba will accept this policy, so much the better. If not, they threaten the possibility of détente.

PYM'S CAUTIOUS APPROACH TO SCOTLAND

At a time of the general election issue of Scottish devolution will be settled, in the that the Scotland Bill may have the statute book and the electorate may have decided by whatever majority, required in a referendum, an assembly had not been set up, as in all probability it would not have been, it is inconceivable that any government would deny it to Scotland. It then be the duty of the government, the duty of the government, to operate delicately as constructively as possible in the interests of the Kingdom. But it is also clear that the election will either after the referendum in held and failed to provide necessary majority, or even the passing of the Bill through Parliament, should the Conservatives be of those eventualities, the election and if it is obvious that the project had reached the election, and on the of forces in Scotland United Kingdom that from the Bill had been set for the sum it would be hard for servatives then to deny the electorate the opportunity to pronounce upon it. But if the scheme had failed to win the requisite majority in the referendum, or indeed if the Bill had not completed its parliamentary course, that would be a different matter. The Conservatives would feel free to adopt a fresh approach, and the particular approach they might adopt in office would no doubt be much influenced by what had happened in the election. It would be one thing if the SNP had increased their strength considerably, and even held the balance of power; quite another if it seemed that the Nationalist bubble had been pricked. There is a limit therefore to how far the Conservatives can reasonably be expected to commit themselves in advance. But there is much to commend the general approach outlined by Mr Francis Pym in Edinburgh yesterday if it is possible for a Conservative government to deal with devolution in a mood of political calm after the election. He elaborated on his familiar theme of an all-party constitutional conference to specify the options that he would present to such a conference. There would be four: the status quo, with some improvements in parliamentary arrangements for considering Scottish affairs; an intergovernmental and scrutinizing assembly; a quasi-federal system; and independence.

The fourth of these options would be no more than a theoretical proposition for such a

conference. It is inconceivable that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

Immigrants' place in society

From Mr Guy Mayers and others

Sir, Councillor Sherman, of this Borough, takes up the argument (February 4) from Mrs Thatcher about how to win a place in British society. He suggests that a respectable attitude for immigrants would be that of the Russian Jews who came here around the turn of the century. May we point out some differences between that wave of immigration and the one of the 1930s and 60s?

(1) The Russian Jews were not black. Whatever disadvantages immigrants may suffer from, the most potent signal for fear and discrimination has tended to be colour.

(2) Immigrants are driven to this country by different things. In 1900 it was mainly persecution. In the 50s it was mainly the poor economy in parts of the Commonwealth. But in the 60s government agencies were inviting immigrants to take up jobs. To permit somebody to enter your home is different from asking them in. The "host community" should be hospitable.

(3) To come to a foreign country to begin at all is not to be overcome by darkness? Doctrinal uniformity in which theologians may not say their say in freedom would seem to be a recipe for a diminished Christianity. He would be under our control but the trouble with such a Christianity is that He is always being propped up to His own world.

When divisions have taken place, it is not true that there is no way back? There is a way forward. There are many who still hope that on the basis of the Creeds it could be in the fellowship of the Church.

PHILIP TONBRIDGE, 48 St Botolph's Road, Sevenoaks, Kent, February 2.

From Mrs J. H. Bourne
Sir, If I, a Protestant, were to share in a Roman Mass, I should be sharing in a central act of worship with people who were not about the Lord's Supper fundamentally different from my own. All the Acts and Prayers in the Service would express their belief. I cannot do it.

I have close friends who are Roman Catholics. We do not worship together, but this does not impair our friendship. There is no question of obstinacy, or bigotry, or closed minds. We talk freely about these things. We shall never be able to hold the same views.

Could not the Churches sufficiently demonstrate their unity to the world by combining, in the utmost friendliness, in every kind of social and charitable work and leave the intimacies of worship intact, for us

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

Towards Christian unity

From The Bishop of Tonbridge

Sir, If we are to reserve the sharing of Communion until the day when we achieve doctrinal agreement, it could also be argued that the world Catholic in the title of any branch of the Church should also be put on one side. For, whether we like to acknowledge it or not, millions have found and are finding salvation in other folds. Many also have taught and are reaching theology, without the full force of the imprimatur behind them. This means that unless conformity is to be imposed, any reunited Church, based though it may be on the Creeds, should have a large measure of comprehensiveness about it.

There are those who believe this would serve truth rather than hinder it. The riches of Christianity have proved greater than any one section of Christendom can grasp. Where theology is done with competence and sincerity, in an attitude of faith, new aspects of "the Truth as it is in Jesus" are reflected. Are not all needed if the light is not to be overcome by darkness? Doctrinal uniformity in which theologians may not say their say in freedom would seem to be a recipe for a diminished Christianity. He would be under our control but the trouble with such a Christianity is that He is always being propped up to His own world.

When divisions have taken place, it is not true that there is no way back? There is a way forward. There are many who still hope that on the basis of the Creeds it could be in the fellowship of the Church.

PHILIP TONBRIDGE, 48 St Botolph's Road, Sevenoaks, Kent, February 2.

From Mrs J. H. Bourne
Sir, If I, a Protestant, were to share in a Roman Mass, I should be sharing in a central act of worship with people who were not about the Lord's Supper fundamentally different from my own. All the Acts and Prayers in the Service would express their belief. I cannot do it.

I have close friends who are Roman Catholics. We do not worship together, but this does not impair our friendship. There is no question of obstinacy, or bigotry, or closed minds. We talk freely about these things. We shall never be able to hold the same views.

Could not the Churches sufficiently demonstrate their unity to the world by combining, in the utmost friendliness, in every kind of social and charitable work and leave the intimacies of worship intact, for us

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

His own preference would seem to be for an inquisitorial and scrutinizing assembly. That would certainly accord easily enough with the structure and operations of Parliament, but it is unlikely that an assembly without legislative or executive powers would be enough to satisfy Scottish aspirations. For all his criticisms of the Scotland Bill, Mr Pym might well be forced to look again at an assembly with such powers. But if it does fall to a Conservative government to settle the devolution question there probably would be time for the more leisurely timescale that he is proposing. A constitutional conference to be followed by a draft Bill if any legislative change is proposed. That is not a bad way to approach constitutional issues of this magnitude.

So the analogy with Russian immigrants is deceptive, but it may be useful in reminding us that expectations have changed since 1900, and that the British political parties would consider independence for Scotland unless the SNP had at least half the Scottish seats at Westminster, and they ought not to do so until Scottish opinion had been further tested in a referendum. The status quo would be a sensible choice only if there was evidence that the Scottish electorate had come to prefer it to any feasible alternative. But if that course was to be followed there would be much to be said for holding up the Scottish Grand Committee in the way Mr Pym suggests and for establishing a Scottish select committee on the lines he puts forward.

all to celebrate in our chosen place, in the aura we love?

Yours faithfully,
EMILY HOWE,
22 West View Road,
Keynsham,
Bristol,
February 3.

From Mr R. N. Pepper

Sir, May a Quaker express appreciation of your leading article of February 2, and supplement your final question with two others?

If some element in doctrine or interpretation of tradition keeps apart those who, by their fruits and by their love for one another, fulfil our Lord's own standards, is it not to be considered that that element may, by that very fact, be mistaken? And do we not all need to be humble enough to realize that doctrine, interpretation and tradition are handmaidens on the threshold of infinite mystery beyond the grasp of finite minds, and that the one sure guide to what we need to know of that mystery is the light of our living Lord himself through His ever-present spirit?

Yours sincerely,
R. N. PEPPER,
Eldon Chambers,
3 College Green,
Gloucester,
February 3.

From Father Edmund Flood

Sir, The correspondence on inter-communion, and private discussion, indicate three kinds of reaction to Archbishop Coggan's appeal.

Those for whom doctrinal formulation is of little importance see no difficulty in full inter-communion without more ado. Those who give doctrine preeminent importance for achieving unity reflect any inter-communion until our theologians have solved our differences. But what the Archbishop's appeal has brought out is that very many Christians in both churches belong to a third category: we see doctrinal discussion as an important means for achieving unity, but we see it as inadequate, and hence doomed to frustration, unless accompanied by growing experience of one another's fellowship, which we strongly suspect must for a Christian involve some Eucharistic fellowship.

Let us not underestimate the importance of what has happened: that a large number of Roman Catholics see doctrinal formulation in a new perspective; the fact that there is a growing common view and that Christians in all churches are ready to respond to the simple, and sincere, vision offered by a Christian leader in any church. The question now is whether we can adequately build on that.

Yours sincerely,
EDMUND FLOOD,
Salisbury Abbey, W.S.,
February 4.

is about 1 in 30; between 35 and 40 it is about 1 in 50.

Yet there is a far greater risk of women having a foetus suffering from spina-bifida or associated disorders. It is at least 1 in 10, and on the basis of the two-year pilot programmes could be in 5. So why the sudden fuss when it is proposed to offer the same process to women with a much higher risk of abnormality? As in other areas of medicine errors may be made, but all the evidence to date indicates that it is a one in a thousand chance of a normal foetus being identified as malformed.

Is it merely a convenient argument to divert attention from the fact that there are not enough men skilled at amniocentesis, and not enough ultra-sound machines, let them argue that plainly. Not all mothers-to-be will take up the offer of a test, so it is possible that the numbers requiring amniocentesis may not be so great that many more machines will be needed.

If the testing is to be voluntary, and if the following amniocentesis is performed only by specialists using the best equipment, and the incidence of error is recorded (so that the research programme's figures can be corroborated) why should the Royal College hold up the extension of the scheme from the 19 areas that have been involved in the last two years?

The Government unfortunately consulted the Royal College very late in the day but I fail to see why there need be any further misunderstanding.

Yours sincerely,
KEITH HAMMOND,
House of Commons,
January 31.

ther for the Authority, democratically constituted and charged by a democratic Parliament with controlling pollution on the community's behalf, to abandon its outfall scheme (which has the support of the democratically elected District Council) in favour of an alternative that would create more bacterial contamination—and to do so for no better reason than a demand by an unrepresentative minority who carry no responsibility—would be a needless not only of democracy but of responsibility and common sense as well.

Yours faithfully,
H. B. CRANN, Chief Executive,
Welsh National Water Development Authority,
Aberdare Way,
Brecon,
Powys,
February 1.

SwineBesh

From Mr H. Koning
Sir, Listeners to last night's news broadcasts were treated to an EEC communiqué on the "green pound" and "pig meat". Presumably the continuance of England is now progressing from kilometres and centigrade to the language and English is to become translated German. Let's go the whole hog, then, and label the stuff swineflesh.

John Watson
on treatment
of offenders

John
machinery

THE TIMES BUSINESS NEWS

Foord
valuers

Wholesale prices crease 1 1/4 pc despite cut in cost materials

Online Atkinson
in manufacturers put up
wholesale prices by 1 1/4 per cent
in January, while the cost
of raw materials fell for
the successive month.
The rise was shown in the official
wholesale price index, compiled
yesterday by the
Department of Industry.
The "input" index
last month was 3 per cent
down on its level a year
ago.

The last month in output
charged by wholesalers
was 1.5 per cent, however.
Usually a bunching of
increases in January.
The rise in these prices in
1977 was 2.1 per cent, the
month's increase was
west January figure
1973.

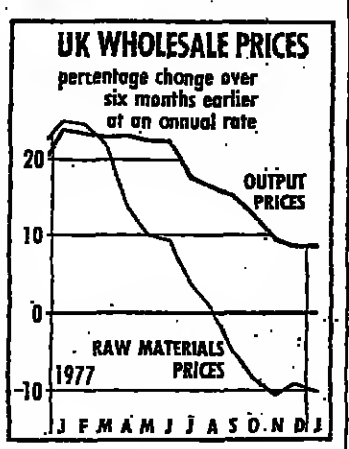
In the last nine months,
there has been a significant
change in the pattern of
wholesale prices, as measured
by the wholesale price
index, and factory gate
prices shown by the wholesale
price index.

Most likely explanation
manufacturers have
advantage of the falling
raw materials to boost
off margins. In the past
factory gate prices have
1.3 per cent despite the
non-wage costs.

Divergence between raw
costs and the prices
charged by wholesalers is to be
expected. The latter are affected
by the de-capitalisation in industry
as well as by the prices
of raw materials.

Very, industry's wages
probably not risen by
to explain the present
is some evidence that
down in the price in
on domestic industrial
has bottomed out, at
least. Government reports
indicate that there will be
a reduction in the rate
of sale and retail price.

Price Commission re-
viewed that on its infla-
tion, based on price rises
by large businesses,
has been a marked slow-



down in the improvement. The
next report, to be published in
two days, is expected to confirm this trend.
However, the year-on-year
rise in factory gate prices in
January was, at 1.3 per cent, a
distinct improvement on the 1.5
per cent rise in the 12 months
to December, and was the
smallest annual rise for four
years.

In the past six months there
has been a rise of 8.5 per cent
in prices charged by whole-
salers. This is the same as in
the previous month, but as it
includes the usually bad month
of January it indicates a slight
improvement in the underlying
trend.

Prices in the shops, as shown
by the retail price index, have
been going up more slowly in
recent months than have whole-
sale prices. This is explained
partly by the different coverage
of the two indices and probably
partly by a squeezing of re-
tailers' margins.

The rise in the value of the
pound has helped to cut the
cost of British imports, but will
also make British industry less
competitive. Food costs are ris-
ing more than other costs. In
January the food manufacturing
industries faced increases of 2.4
per cent in their costs, the re-
sult of dearer milk, fish, im-
ported cereals, tea and other
foods.

Cheaper coffee has helped to
offset the rise in factory gate
prices of other foods, leaving
an overall rise of 1.5 per cent.
The last month in the output
prices of food manufacturers.

Wholesale prices table, page 18

Franc slide continues despite bank support

By Our Economics Staff
A rise in short-term interest
rates in France to 9 1/2 per cent
in day-to-day money was not
sufficient to stop a further
weakening of the franc on the
foreign exchanges.

Against the dollar the French
currency fell from F4.91 at
Friday's close to F4.93. It
has lost 4 per cent of its value
against the dollar and the
Deutschmark since last Tues-
day.

Sterling also lost ground on
the exchanges yesterday, as the
markets continued nervous
about the outlook for wages
and the money supply in
Britain.

The pound closed at 1.939
against the dollar, compared to
\$1.9415 on Friday. The effective
rate, measured against a basket
of currencies, dropped 0.1 to
66.2.

Trading was not as hectic as
on Friday, however, and
dealers attribute this in part to
the Bank of France's moves to
prop up the franc. It was seen
to be intervening again in the
markets yesterday.

Pressure on the franc seems
to come initially from com-
mercial selling. Large multi-
national companies in Germany
have been switching out of the franc,
according to one dealer.

Other companies all over the
world have also been convert-
ing their francs to so-called
leading and lagging back pay-
ments.

Sterling and the dollar also
weakened considerably during
the day, although they
recovered much lost ground be-
fore the close. Money switching
out of France is going chiefly
into Deutschmarks and Swiss
francs, the traditionally strong
currencies.

Although these two countries
do not welcome the further
appreciation of their currencies
the rise is not yet thought to
be a threat to their national
action to bolster the franc.

The reasons behind the
franc's fall are mainly political.
France's balance of payments
has improved recently. Some
dealers believe that even if
there is a victory of the left in
the coming elections the move-
out of francs will soon slow
down.

Sterling went to a discount
against the dollar in the for-
ward markets yesterday. This
mainly reflected interest
movements, but the pound is
no longer seen as a "hard"
currency as it was just a few
weeks ago.

Leyland deal to deter wildcat strikes

By R. W. Shakespeare
More than 100,000 workers
in Leyland car plants are
covered by a new shopfloor
deal which gives them much
improved layoff pay when work
stops because of reasons out-
side their control, but imposes
a stiff "penalty" clause on
those who take part in uncon-
stitutional strikes.

The deal has emerged
from Leyland's new central
negotiations, and represents
the last major achieve-
ment of Mr Geoffrey Whalen,
industrial relations director of
Leyland Cars before his resig-
nation.

Signed by all car unions, the
agreement is an attempt to
maintain the earnings of
workers at an average level
when they are made idle by
disputes either outside the com-
pany or in other Leyland sup-
plying companies. But at the
same time it seeks to deter
unofficial strikes by disqualify-
ing those who take part in them
from the layoff guarantees for
three months.

Last year alone Leyland car
plants lost well over three
million man hours and the pro-
duction of some 200,000 cars
because of layoffs due to "ex-
ternal" disputes.

Under the deal, men laid off
because of strikes outside the
company will get a guaranteed
15 days' pay in each quarter
on full basic rate. When the
layoffs result from disputes
in other Leyland sectors the
guarantee is seven days in
each quarter at 80 per cent of
normal basic rate.

Previous layoff agreements,
which had been negotiated on a
plant-by-plant basis, gave seven
days' pay for external disputes
and five days for internal dis-
putes, both at 80 per cent of
basic rate.

The tough penalty clause will
mean that any workers taking
part in what the company dis-
regards as "unconstitutional dis-
putes" will be barred from the
guarantee, which can some-
times be "constitutional".

They would consider a date for
a meeting after these talks.
The initiative for fresh talks
is believed to have come from
a meeting just before the week-
end involving Mr Pat Lowry,
Leyland's director of personnel
and administration, Mr Moss
Evans, of the Transport &
General Workers and Mr Hugh
Scanlon, of the Amalgamated
Union of Engineering Workers.
There has clearly been some
pressure on the Merseyside
stewards to agree to participate
in fresh negotiations. The dis-
pute has already cost Leyland
lost production worth more
than £80m.

A strike in the nearby Ford
plant at Halewood, Liverpool,
continues into its fifth week
with 9,000 workers laid off
because of a stoppage by 1,000
press shop operators. Lost pro-
duction of Escort cars is
running at well over £40m.

Ford has also had to lay off
workers at its Traosic van
factory at Southampton, which
relies on the Merseyside plant
for supplies of transmission
units.

World trade on danger course, Gatt chief says

By David Blake
As the Tokyo Round of
negotiations on trade gets into
their final phase, Mr Olivier
Long, the Director General of
the General Agreement on
Tariffs and Trade, yesterday
gave a warning that world
trade was set on a dangerous
course towards increasing
restrictions and an abandon-
ment of liberal principles.

At a meeting organized by
the Trade Policy Research
Centre, Mr Long called for an
end to the "decline in morality
in international trade rela-
tions". A restoration of the rule
of law in international trade
was every bit as important as
further progress in liberaliza-
tion, he argued.

The purpose of Mr Long's
speech was to look beyond the
current round of trade talks to
the international trading
environment which would
emerge after them.

For all countries, he argued,
security of access to markets
is what makes the gains of
liberalization worth while. Yet
at the moment governments
continually sidestepped the
rules of Gatt to give temporary
protection to industries.

According to Gatt estimates,
Mr Long said, something like
\$100,000m worth of trade a year
was now covered by restric-
tions of some sort.

Mr Long recognized that
simple free trade was no longer
a practical proposition if it ever
was. Instead, he called for a
continuous liberalization of
trade coupled with properly
agreed international procedures
to control the measures which
governments took to deal with
specific problems.

On the positive side that
would mean prompt action to
help industries facing new
competition to adjust. At pre-
sent adjustment assistance was
usually given so late that
workers had found new jobs
before they received the money.

On the negative side, it meant
a properly agreed code of con-
duct on the measures which
governments could adopt to
reduce the impact of foreign
competition.

Mr Long called for agreement
on the "special safeguard"
measures governed by Article
19 of the Gatt which could be
adopted. Most industrial coun-
tries felt that the terms of this
clause were too restrictive to
allow it to be of much use.

Because of this, there had
been widespread use of safe-
guard measures which were
discriminatory and which, just
ignored the terms of Article 19.

Mr Long said that any new
safeguard clause, which would
presumably be tougher, had to
be subjected to international
surveillance.

Secondly, he called for joint
action to control subsidies and
countervailing duties.

He also sought a strengthen-
ing of the rules which govern
the settlement of disputes,
which were bound to arise in
coming years.

Mr Long said that adjustment
to the new economic importance
of developing countries which
were industrializing posed a
big challenge to the world.

Overall, what was required
was a recognition of the need
for better international manage-
ment of world trade questions.

Profits up in quarter

Online Quigley
earnings at Inco, the
largest single producer
collapsed in the final
of 1977 to \$4.6m from
the same period of the
year, leaving full-year
early leaving at \$99.9m
(\$1.7m).

It has been hit severely by
the downturn in the
market and is instituting
cost-cutting measures.
This reported that the
arter's decline in earn-
ings substantially due to
lower deliveries, lower
nickel and copper
exchange losses rather
than, and provisions for
ries.

'No hope' of jobless cut to 3pc by next year

By Melvyn Westlake
There is no longer any hope
of meeting the unemployment
target of 3 per cent by 1979
set by the Government in 1976,
Mr Joel Barnett, Chief Secre-
tary to the Treasury, said
yesterday.

Replying to questions from
MPs on an all-party House of
Commons Select Committee, he
said that the Government's
employment would not fall as
quickly as had been hoped. At
present the number of jobless
was almost double the 1979
target.

Mr Barnett was the principal
witness appearing before the
main subcommittee of the Ex-
penditure Committee, which is
holding a series of sessions to
examine the Government's
latest spending plans. He told
MPs that any significant im-
provement in the level of em-
ployment would have to be
achieved through the Govern-
ment's industrial strategy.

Mr Barnett also warned
that the Government's target
of 3 per cent by 1979 was
in the way of the future. He
wanted to see "substantial"
cuts in direct taxation in real
terms in future years. But
expectations may have risen
too far about what could be
done in the immediate future.
There were a number of other
areas which demanded atten-
tion.

Mr Barnett appeared con-
cerned that too much credence
should not be given to the
widely estimates about the
extent of the tax cuts that
the Chancellor will unveil in his
next Budget.

There have been suggestions
in some quarters that there
might be cuts of as much as
£3,000m. A wide circulation of
such estimates could "clearly"
lead to great disappointment if
not achieved.

and the situation did not look
good in several of them.
Much would depend on
whether countries like West
Germany could be persuaded to
export their own economic sur-
plus to the subcommittee
pressed Mr Barnett to show
whether there was any evidence
that cuts in public spending
during 1976 had led to higher
employment and exports, as this
had been the principal justifi-
cation for such action.

He argued that it did not fol-
low that limiting public expen-
diture automatically or neces-
sarily led to higher private in-
vestment and exports, but if
there had not been such a tight
grip on the resources absorbed
by the public sector, there would
either have been a rise in tax-
ation or the Government would
have had to borrow more, with
greater consequences for jobs
than resulted from the public
spending cuts.

Mr Norman Sloan, the Swan
Hunter director who made the
announcement said: "It is sad
news. There is no doubt if we
had obtained the Polish orders
we would not have been in this
position today."

Workers had expected about
700 redundancies and Mr Sloan
said the numbers would prob-
ably come as a shock to them.

The cutbacks follow a long
running dispute between outfit
trades and boiler-makers at the
yard over pay differentials.
Failure of the unions to provide
guarantees of cooperation and
industrial peace led British
Shipbuilders to reassign orders
for seven ships under the Polish
deal to other yards on the Tees
and Clyde.

Varley evidence resumes on BSC

Mr Varley, Secretary of State
for Industry, yesterday spent
two and a half hours giving
evidence to the Select Com-
mittee on Nationalized Indus-
tries investigating the financial
performance of the British Steel
Corporation.

Low in strike league

Online Brown
is well down the
strike league, according
to International Labour
Geneva.

Department of Employ-
ment yesterday said the
results a heavy blow to
"like-bound Britain".

and comes out best
LO study, which is
the average number
per 1,000 employees
in industrial disputes
years from 1967 to

Bonn surplus at 21-month high

Frankfurt, Feb 6.—The West
German overall balance of
payments surplus climbed to
December in the highest level
since March, 1976, reflecting
turbulent conditions on the
foreign exchange market during
the month, the Central Bank
reported today.

The overall balance produced
a preliminary surplus of
DM422m (£1,605m) compared
with DM2382m in November,
and a deficit of DM316m in the
corresponding month of 1976.
AP-Dow Jones.

Mr Jenkins defends monetary union idea

Continued from page 1
up capital exports while the
current account surplus was
being brought down.

But he was notably softer in
tone than some Government
ministers have been recently,
with the Japanese, saying that
he felt that the Japanese
authorities now realized the
problems which their surplus
was causing, and stressing the
need to understand their diffi-
culties.

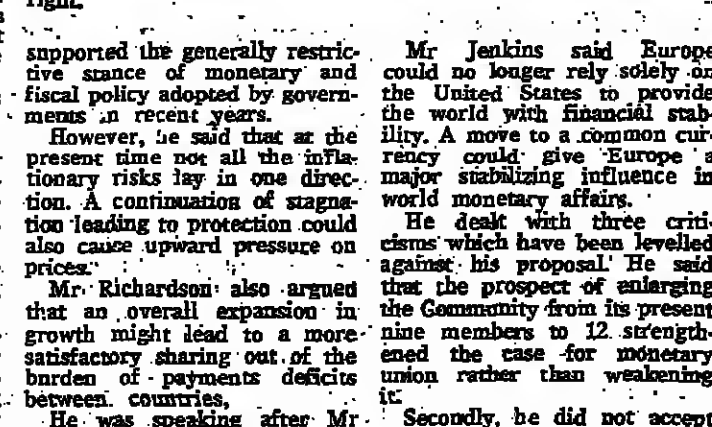
It is an acceptance of the
difficulty facing surplus coun-
tries with a heavy dependence
on exports in stimulating their
domestic economies which
underlies the Governor's
approach to the need for joint
European action and lies at the
heart of his proposal.

He argues that since surplus
countries find it difficult to
expand domestic demand and
deficit countries have to worry
about their balance of pay-
ments, the problem could be
solved if they all moved to-
gether.

In saying this, he seemed to
be moving towards the declared
position of both the German
Government and of the Secre-
tary of the Organization for
Economic Cooperation and De-
velopment at the last meeting
of the International Monetary
Fund in Washington in Sep-
tember.

At that meeting, this position
was opposed by the United
States, which continue to argue
that expansion of the world
economy remains the prime re-
sponsibility of the "Big Three"
countries—the United States,
Germany and Japan.

The Governor stressed that
it was important not to allow
a new outbreak of inflation. He



supported the generally restric-
tive stance of monetary and
fiscal policy adopted by govern-
ments in recent years.

However, he said that at the
present time not all the infla-
tionary risks lay in one direc-
tion. A continuation of the
policy leading to protection could
also cause upward pressure on
prices.

Mr. Richardson also argued
that an overall expansion in
growth might lead to a more
satisfactory sharing out of the
burden of payments deficits
between countries.

He was speaking after Mr.
Roy Jenkins, the President of
the European Commission, who
defended his recent proposals
for reviving the idea of an
economic and monetary union
within Europe.

Mr. Richardson carefully
refrained from challenging the
broad structure of Mr. Jenkins's
argument, saying that he
wished to complement them
rather than dispute or to
duplicate his analysis.

Nordic Bank

Summary of Audited Accounts
for the year ended 31st December, 1977

Consolidated Balance Sheet		1977	1976
Share Capital		£700	£700
Reserves		9,393	7,000
Subordinated Loans		13,676	9,664
Current and Deposit Accounts		31,839	18,478
Other Liabilities		4,574	26,378
Total Liabilities and Shareholders' Funds		47,863	32,412
Cash at Banks		63,945	33,288
Money at Call and Short Notice		15,481	15,481
Certificates of Deposit and Bills of Exchange		55,839	36,218
Deposits with Banks		6,701	3,698
Loans and Advances, repayable within 1 year		129,585	90,623
Loans and Advances, repayable after 1 year		168,661	114,593
Other Assets		12,050	9,511
Total Assets		457,863	323,412

Consolidated Profit and Loss Account		£'000	£'000
Operating Profit		3,132	1,573
Less: Interest on Subordinated Loans		920	663
Profit before Taxation		2,212	910
Taxation		1,190	555
Profit after Taxation		1,022	355
Proposed Dividend		280	—
Unappropriated Profit for the year		742	355
Retained Earnings brought forward		1,164	809
Retained Earnings carried forward		1,906	1,164

Nordic Bank Limited

Nordic Bank Limited
Nordic Bank House
41-43 Mitling Lane
London EC3R 7BP
Telephone: 01-626 9661
Telex: 887634-5

Shareholding Banks
Copenhagen Handelsbank Copenhagen
Den norske Creditbank Oslo
Kansallis-Osake-Pankki Helsinki
Svenska Handelsbanken Stockholm

Copies of the Annual Report may be obtained from the Secretary's office

The markets moved

The Times index: 192.51 - 0.12
The FT index: 458.1 - 0.6

THE POUND			
	Bank	Bank	Bank
	Buys	Sells	£/100
Australia \$	1.76	1.71	
Austria Sch	30.50	28.50	
Belgium Fr	65.25	62.25	
Canada \$	2.28	2.14	
Denmark Kr	11.88	10.99	
France Fr	7.95	7.65	
Germany DM	9.80	9.45	
Greece Dr	4.24	4.02	
Hong Kong \$	75.50	72.90	
Italy L.	9.20	8.75	
Japan Yn	177.00	169.50	
Netherlands Gld	49.00	46.50	
Norway Kr	10.15	9.80	
Portugal Esc	16.50	15.50	
Spain Ptas	165.00	158.00	
Sweden Kr	9.25	8.90	
Switzerland Fr	5.98	5.76	
US \$	1.58	1.53	
Yugoslavia Dnr	39.75	37.00	

Notes for small denomination bank notes only, as supplied yesterday by the Bank of England. Different rates apply to travellers' cheques and other foreign currency.

Coal	5p to 450p	Glaxo	5p to 562p
Oil	10p to 406p	ICI	5p to 286p
Gold	5p to 622p	ICI Grp	4p to 116p
Iron	6p to 766p	Photo-Me Int	5p to 270p
Steel	15p to 420p	Takeda Bdr	45p to 930p
Wool	10p to 133p	Union Carb	6p to 268p
	4p to 42p	Wiglat H.	6p to 266p

Unit	7p to 243p	Norton & Wright	17p to 163p
Yst	7p to 114p	Sale Tmly	8p to 210p
Yst	10p to 388p	Selection Yst	6p to 380p
C	9p to 100p	Summit	7p to 174p
ale	7p to 230p	Tube Invest	6p to 380p
	10p to 144p	Union Discount	10p to 430p
		Wilkinson Match	7p to 179p

fred easier.
Continental selling.
min 77.5 per cent
ste 31.75).
25 pts to \$1.9390. The
change rate index was

Sharp increases in retail sales during December confirmed

By David Blake
Economics Correspondent

Sharp increases in retail sales during December are confirmed by revised estimates published yesterday which show an overall increase of 3 per cent.

The rise may be explained partly as a problem of seasonal adjustment, since the shopping period before Christmas was slightly longer than usual, but there is little doubt that tax rebates and increases in gross earnings combined to produce a sharp surge in retail purchases.

This is expected to continue in the first half of 1978. However, the December increase still leaves the volume of retail sales little higher during the last quarter of 1977 than in the previous three months.

For the year as a whole, sales were down 21 per cent on 1976, with food shops down particularly sharply. These shops recovered some of their lost ground during the final quarter of the year, with a 10 per cent increase over the previous quarter.

Sales by clothing and foot-

wear shops also rose by 1 per cent, while department stores and mail order businesses showed a 1 per cent drop.

But although the overall level of sales rose sharply in December, the amount of new credit of all kinds extended fell slightly.

After seasonal adjustments it stood at £414m in December compared with £425m in the previous month.

The amount of credit extended by finance houses went up from £199m to £209m, but retailers' credit fell from £226m to £205m.

During the last quarter retailers' new credit was £541m, compared to £632m in the third quarter, after making seasonal adjustments.

Finance house credit was £530m, compared with £546m in the previous quarter. During the year as a whole, the highest increase in credit sales was recorded by the miscellaneous "other credit retailers group", whose sales were up 23 per cent on 1976.

Department stores sales went up 5 per cent and durable goods stores sales on credit rose 4 per cent.

RETAIL SALES

The following are the seasonally adjusted figures for the volume of retail sales and value of new instalment credit released by the Department of Industry.

	Sales by volume 1970=100	Percentage change latest 3 months on previous 3 months	New credit £m
1976			
Dec	105.2	-5.2	331
1977			
Jan	104.5	-3.0	324
Feb	104.0	-0.2	342
March	101.7	-5.6	351
April	102.3	-8.6	346
May	103.2	-8.2	356
June	102.3	-3.1	352
July	105.0	-9.5	365
Aug	105.2	7.8	417
Sept	103.9	8.4	386
Oct	103.3	2.5	382
Nov	103.8	-1.9	425
Dec	107.0	1.2	414

Administrative cost of tax changes worry life assurance groups

By Richard Allen

British life assurance groups are bracing themselves for additional administrative costs running into "many millions of pounds" as a result of a tax change due to come into force in April next year.

From that date life assurance premiums will become payable to life offices out of tax relief under a provision made in the 1976 Finance Act.

The new measure, introduced mainly to effect staff savings within the Inland Revenue, was not opposed by the life companies.

But yesterday, Mr P. W. Sheridan, chairman of the Life Offices Association, admitted that the effects on insurers have turned out to be "much more complicated than we first thought".

Details of the new scheme are expected within a few weeks, but already several major groups are talking of new developments leading to a complete standstill for at least a year while administrative

staff grapple with its complexities.

Many life office chiefs are particularly incensed because they believe the staff savings within the Inland Revenue that the new scheme is meant to achieve—up to 1,500 jobs—is unlikely to prove practicable.

They also believe that the loss of revenue likely to result, though small, will far outweigh the savings made in Inland Revenue staff costs even if the plan is totally successful.

To the vast majority of policyholders the tax changes will have no material effect. Tax relief now given on the annual schedule basis will simply be replaced by an equivalent reduction in premiums payable.

In fact some life offices believe that the illusory reduction in life insurance costs as far as quoted premium rates are concerned could provide a marketing boon.

But this advantage will be heavily outweighed by the administrative problems

LETTERS TO THE EDITOR

Ship subsidies: charity should begin at home

From Mr Paul Slater

Sir, The price to be paid for preserving jobs in British shipyards continues to rise at an alarming rate at a time when the British merchant marine is facing its most serious crisis since the war.

The British taxpayer is already being asked to pay nearly £100m to secure orders from Poland and India, indications are that this figure could double this year with further orders from Poland, Pakistan, Mexico, Venezuela and Vietnam. All this without any offer of cheaper ships for British shipowners or better credit terms for our domestic shipping industry.

It is grossly irresponsible for Government Ministers to continue subsidising the Comecon fleet at a time when the General Council of British Shipowners give warning that the Eastern block countries are dumping ships into an already depressed market and thereby seriously jeopardizing the future of British seamen.

The further proposal to subsidize the merchant marine of a country which such an oppressive regime as Vietnam, by the same Government which refused to build ships for Chile or South Africa, will no doubt earn much gratitude for the Government among its new communist business partners, but will win few friends among our Asian allies, particularly if the ships concerned are built with any military capability.

If the Government is to continue to support the British shipbuilding industry then at least let the subsidies required to do so be directed towards other sectors of British industry and in particular assist the British shipowners rather than subsidize our commercial and political opponents.

Yours faithfully,
PAUL SLATER,
President, Oceanic Finance Corporation Ltd,
Princes House,
95 Gresham Street,
London, EC2.

Paying home bills when abroad

From Mr C. G. Brain

Sir, May I ask a one-time bank manager say that Mr W. A. Anil-Kumar's advice to Mr C. U. Dyke (January 30) to overcome the problem of making payments while abroad is unnecessarily cumbersome. All Mr Dyke need do is to write to his bank authorizing them to "pay the ordinary running accounts when submitted pending my return to the United Kingdom". If he wishes to restrict the upper amount of any payment he can add against the name of the payee concerned: "Not to exceed £500".

Mr Dyke can then telephone or write to the payees concerned instructing them to forward their accounts to the bank which Mr Dyke has authorized. Even employees can be paid in cash weekly by this means, if the need arises.

The bank can send a "manager's cheque" in payment or arrange to credit the payee's account by bank giro if they prefer. The necessary details. The bank make a nominal charge for this service but it is the most satisfactory and simple method of overcoming the problem and avoids all the difficulties of Mr Anil-Kumar's complicated suggestion.

Incidentally, I should like to know why, he considers "not transferable" to be a necessary addition to the crossing of a cheque once a/c payee only has been added. Any bank crediting an account other than that of the payee would certainly be at risk. Yours faithfully,
C. G. BRAIN,
Monrokers,
Pit Farm Road,
Gifford GU1 2IL,
January 31.

Right formula for good labour relations

From Mr W. McMillan

Sir, In your excellent survey of the chemical industry (January 26), your correspondent wrote of this industry's good industrial relations. His opinion was based on our having "only one day" man lost annually through strikes over the past six years.

In fact, our record is even better than that. We lost only one day per man over the entire period of six years! Yours faithfully,
W. McMILLAN,
Director,
External Relations,
Chemical Industries Association Ltd,
Albion House,
93 Albion Embankment,
London, SE1 7TU,
January 30.

Farmland 'devastated' by opencast coal mining

From Mr H. D. Napier, Member of the Derwent Valley Protection Society

Sir, Mr Donald Davies, chairman of the Opencast Executive (January 30) has a vested interest in perpetuating an organization that is redundant in its present form. It is to be expected that he would tout our ad nauseam the old chestnut of balance of payments which can no longer be substantiated. The Central Electricity Generating Board use the most cost effective power stations for their base load, whether gas, oil, coal or nuclear-powered.

Private contractors, who also have an enormous vested interest in opencast work, have their own machine operators who move from site to site. Only a small number of casual labourers are employed from local areas.

Opencast coal is a direct threat to the deep mining industry who are struggling to regain their proper place in the energy spectrum. What incentive is generated in the opencast industry to add to the stockpiles of World supply of all grades of coal, including high grade coking coal, exceeds demand.

Increasing stocks in the United Kingdom, in the EEC and all other coal-producing countries, is obvious in international statistics. The effect of the miners' productivity deal is not even mentioned. The taxpayer is being to subsidize

coal stocks in excess of the statutory levels held by the CEEB at the National Coal Board's request.

Derelict areas have largely been cleared, nevertheless, the Opencast Executive are "ruthlessly" about 7,000 acres (10 sq miles) of valuable farmland every year. Having appeared at four opencast public inquiries since 1971 and won three (the result of the fourth is still awaited), our team of investigators have gathered factual and statistical evidence that totally destroys the claims of quality of restored land. Evidence from soil experts and farmers from all over the United Kingdom substantiate this.

These and many other facts have been produced in evidence at public inquiries without challenge or rebuttal by the Opencast Executive. Their evidence has been proved to be misleading and inaccurate and by their own admission they are only concerned to meet a self-set target, regardless of present and future needs and regardless of the impact on the countryside and the people who live there.

They rely entirely upon the Secretary of State who is Judge and jury of his own case despite the inspector's recommendation.

H. D. NAPIER,
24 Mill Farm Road,
Hammerley Mill,
Rowlands, Garb,
Tyne and Wear, NE39 1NW.

Oil could flow for many years

From Mr J. Barneo

Sir, I would like to comment on the exchange of letters between Peter R. Odell and K. R. Williams on assessing future oil resources, which appeared in your distinguished paper on October 24 and 27, 1977, respectively, and which were just brought to my attention.

Both letters refer to the Conference on the Future Supply of Nature-Made Petroleum and Gas, which was organized by IIAAS, jointly with the United Nations Institute for Training and Research.

Mr Williams stated that the conference produced very high figures of the world oil resources based on the assumption that all oil that has formed will be ultimately exploitable. This statement is incorrect. Nowhere in any of the many technical papers presented in the conference or in any reports or summaries prepared by the sponsors at the conference was it stated or assumed that for any type of oil and gas, all of the oil or gas in place would be produced. The highest estimate given at the conference for future recovery of oil in place was 70 per cent, and most estimates of ultimate production were lower than this.

Mr Williams seems not to have appreciated that the purpose of the conference was to get away from previous narrow definitions of petroleum reserves and to look at the future oil and gas supply. Most estimates of petroleum reserves, including those cited by your

two correspondents, are restricted to liquid oil that is exploitable through primary production; while such figures may be useful for planning production and exploration, they should not be used as the main basis for estimating what will be economically and technically feasible in the future. The history of resource development, including oil, has shown that resources are a function of technology and economics.

The conference thus directed its attention to the "many" (some of them not yet exploited) petroleum resources and to the many types of natural resources which could be produced in the future, dealing with all 12 types of gas, including geopressured gas which is known to exist also in many parts of Europe and the North Sea.

The Shell company has decided to invest \$5,500m-\$6,000m in the extraction of oil from the Athabasca tar sands deposit in Alberta, Canada, as a demonstration of the view that we show is relevant in considering future oil and gas supplies. (This example also may indicate that Mr Williams's letter may represent his view on the future supply of oil and gas but not that of his own company.)

The implications of the large-scale development of the Athabasca tar sands stem from the fact that oil from tar sands is a five or six times heavier crude oil than the light crude reserves estimates; as development proceeds, the extent of the exploitable oil available in these resources will become better known; in addition, recovery techniques will become more efficient and thorough as experience in developing these resources is gained.

A major aim of the UNITAR/IIASA conference is attempting to correct the limited view of petroleum reserves so often taken as the basis for the simple projection of petroleum supplies. We point out that these projections are misleading and can be dangerous, if they lead to hastily conceived and costly energy development programmes.

We possess today an elaborate infrastructure based on petroleum and natural gas; we should not abandon it and commit ourselves to the enormous investments in alternative sources until a more thorough analysis based on misestimated petroleum resources of the earth are vast and still unknown in many areas, and this applies to the many types of oil and gas resources discussed at the conference.

The application of these resources to the security of their exploitation can provide us with oil, gas and other energy resources for many years in come.

JOSEPH BARNEA,
Special Fellow, United Nations Institute for Training and Research,
801 United Nations Plaza,
New York, 10019,
January 19.

Share ownership and pension schemes serve separate purposes

From Mr G. Copeman

Sir, Mr Brian Cole's letter (January 31) reveals him as a Doubting Thomas about the merits of independent, enterprise and a free capital market. In throwing cold water on the Metzger and Coletti study, he makes a surprising statement in relation to retirement schemes and their effect on company results: "There is no reason to believe their results would have been any worse if this package had included a United Kingdom type pension scheme."

Where is Mr Cole's evidence? Has he done a statistical study even as large as Metzger's? His statement is shattering if unsupported, for it implies that the effects of direct share ownership are the same as the effects of a pension scheme, even though these are different financial institutions. It is rather like saying that the effects of a dog in the house are the same as the effects of a cat.

Nevertheless, Mr Cole's statement logically implies that industry would be unaffected if business owners were bought out and had their shares replaced by pension policies "bug that small shareholders, too, could

be "pensioned off" and the Stock Exchange allowed to die, with no ill effects. Personally I believe this is wrong. Share ownership does matter and so do pension schemes. Each serves a separate purpose.

The Metzger study was never quoted in Britain on the Doubting Thomases started asking for statistical evidence that ownership affects attitudes. However, those who believe in independent enterprise are not generally those who ask. They see all around them the sad consequences of trying to operate a top-down economic democracy in which almost 100 per cent of the adults have votes but only 3.8 per cent own shares.

Fortunately an increasing number of companies are trying to improve on this situation. For example, on January 19 House of Fraser Limited introduced an employee share scheme and it received a favourable shareholder vote of 10 million to five million.

Yours faithfully,
GEORGE COPEMAN,
Deputy Chairman,
Juxon House,
Widley Share Ownership Council,
94 St Paul's Churchyard,
London, EC4M.

Long wait for highly-advertised products

From Mr George Norman

Sir, It may be the case, as Mr Brunswick alleges (February 1), that multiple stores only want to sell what they have in stock but this does not explain why many highly advertised, proprietary goods are not immediately available from the manufacturers' agents.

I have been trying to obtain a well-known make of vanity unit which is widely advertised in glossy magazines, and everywhere I was told that it must be a five or six week wait due to the length of the production run. Whatever the means, I finally decided to have a carpenter make up a unit, but after trying six different I found that the bowl, too, was unobtainable from stock, and waiting time varied from two to 12 weeks. I am sure that the manufacturers are organized, I am not surprised that the building industry is in the doldrums.

Yours faithfully,
GEORGE NORMAN,
90 Onslow Way,
Pyrford, Woking,
Surrey,
February 1.

CBI stick to Bullock opposition

By Malcolm Brown

Industrial leaders told the Prime Minister yesterday that they had not budged from their total opposition to the proposals for worker participation embodied in the Bullock report.

A delegation from the Confederation of British Industry, led by Mr John Greenborough, the CBI president, told Mr Callaghan that a great deal had been achieved in the past year on participation on a voluntary basis. This voluntary approach was working.

Mr Callaghan, who made it clear to the industrial team that he was seeking common ground, said that he would shortly be raising the subject in discussions with the TUC. He gave no indication when the Government might produce its White Paper.

Mr Callaghan was accompanied by Mr Booth, Secretary of State for Employment; Mr Dell, Secretary of State for Trade; and Mrs Williams, Secretary of State for Education and Science.

During the 90-minute meeting, the CBI team told Mr Callaghan and his colleagues that in a recent survey of 357 companies, some 750 said that they provided regular business information to their employees, and CBI had regular consultative arrangements.

Mr Callaghan said the time was not right for legislation, but he made it plain that he meant to press ahead to get some form of agreement.

Japanese pledge on car export curbs unlikely

Tokyo, Feb 6.—British car manufacturers seem unlikely to obtain any firm undertaking from the Japanese to limit sales of their cars in Britain this year. This is the view of industry sources on the eve of talks here.

Society of Motor Manufacturers and Traders' figures show Japanese car sales of 146,145 in Britain in 1977 accounted for 10.6 per cent of the market. The sources said Japanese producers are likely to offer only vague assurances on limiting sales while promising to consider increased purchases of British-made components.

The sources are concerned that to accede formally to a request for restraint in one market could lead to similar demands from elsewhere. They said any export restraint by Japan would be more likely to boost car imports from other countries rather than help the British industry. Car imports from other countries increased 23.1 per cent last year.—Reuters.

West should be able to increase exports of capital goods and technology UK hopes for China trade boost

By Derek Harris

Increasing evidence of an expansion in trade between the People's Republic of China and the rest of the industrialised world, with Britain in the running for its share of the increase, was underlined by a series of speakers at a London conference yesterday.

Even the problem for the Chinese of funding expansion through international credit was not seen as an insuperable hurdle.

The conference—on the prospects for trade between China and Britain, organized by Business Perspectives in association with The Times—was told by Mr Chu Chi-yuan, China's Chargé d'Affaires in London, that although his country always tried to follow the path of self-reliance that did not mean a closed-door policy on trade.

Mr Dell, Secretary of State for Trade, thought that China could well offer a steadily expanding market for British industrial goods over the next 20 years, during which time China's foreign trade could triple in real terms.

Although in the short-term there might be demand to fill occasional gaps, in the long-term it looked likely that Chinese imports of such commodities as iron and steel, foodstuffs and fertilizer—which accounted for 40 per cent of 1976 imports—might decline as domestic production expanded, Mr Dell said.

But that should help the increase of China's imports of Western advanced technology and capital goods, offering opportunities for makers of capital plant and industrial machinery provided the technology was advanced and the prices competitive.

He did not see China taking in many consumer goods, but rather becoming a significant exporter of these and light industrial goods.

Mr Dell said that prospects for Sino-British trade had changed since inflation hit British competitiveness in 1972 and 1973. That had left, in



Mr Edward Heath and Sir John Keswick, vice-president Sino-British Trade Council.

1976, West Germany selling nearly six times as much to China than the United Kingdom and France more than three times as much. "The Chinese are now well aware of our strengthened domestic economy and our ability to quote competitively."

"It is important that we should vigorously follow up this opportunity and try to expand our exports into new areas of capital equipment besides those such as aerospace and mining machinery, in which we have been successful before."

China had always been a highly competitive market, he said, but he was confident that Britain could compete in some of the key sectors of China's foreign trade given perseverance by companies without necessarily expecting a rapid return.

The main opportunities were expected to lie in the provision of technology, capital equipment and sometimes bulk supplies in sectors like steel, non-ferrous metals, chemicals, mining machinery, oil and gas.

He believed that in absolute numbers "our trade deficit is likely to begin trending down before the year is out."

Mr Solomon said he was confident that the near future would see a steady and encouraging growth for Anglo-Chinese exports.

The United States would use intervention to prevent foreign exchange rates from responding to changes in underlying economic and financial conditions in an orderly fashion.

He said that in late 1977 American attempts or actions to stabilize rates were limited and did not signify an attempt to maintain the exchange rate at any particular level.

Dr Alice Rivlin, director of the Congressional Budget Office, said in a presentation to the House Budget Committee that if current spending and tax policies were continued, the deficit would be expected to be in the 5.7 per cent to 6.7 per cent range in both 1978 and 1979—about the same as the increase in non-farm prices during 1977.—AP-Dow Jones.

have still some credit for recognizing the People's Republic early and for establishing full diplomatic relations in 1972. There is a warmth and friendliness towards us.

A critical psychological milestone for the Chinese was when they suddenly withdrew all help in 1959. They would never want to be so dependent on a single country again. That meant the Chinese would spread their activities, including those of trade, widely among a number of countries. This was an important factor in the Chinese wanting to avoid her indebtedness abroad, he suggested.

Lord Roll, chairman of S.G. Warburg, the merchant bankers, and leader of the recent Sino-British trade mission to China, said that he did not believe in a sudden explosion of trade between China and Britain. But, particularly given the present low level of that trade, he believed that the next three years should see a great upsurge.

There was, undoubtedly, a great willingness to do more trade with Europe—witness the recent industrial trade agreement between the EEC and Britain in particular. Lord Roll said.

But China's drive for self-reliance meant countries like Britain had to give up any thought of joint ventures or investments in China. Nor would the Chinese take on foreign debt as such.

China's pragmatic policy for imports was either spot cash or deferred terms from the supplier. "But will this suffice as foreign trade expands?" Lord Roll asked.

Sir John Keswick, vice-president of the Sino-British Trade Council, said that in a recent United Kingdom trade mission to China, suggested that a financing possibility was to make an arrangement through the EEC. Or he felt the Chinese might accept an International Monetary Fund loan.

As part of a campaign to reduce productivity, another 300 jobs are to be cut from the 1,300 work force at Reliant car manufacturing plant at Tamworth, Staffordshire. Over the past two years Reliant has already cut its work force from 2,000 to 1,300.

The company is owned by F. Nasti Securities. Tractor cut-back: The International Harvester is to make 910 workers redundant at its Bradford factory. Aeronautical crisis in Turkey resulted in the factory losing orders worth more than £2m a year. Production is to be reduced by almost a third.

The factory, which employs about 1,700 people, has been modernized and extended at a cost of £2.5m, primarily to meet the orders from Turkey.

This year it had been hoped to end 2,500 tractors at £4,000 each and 4,000 sets of components for assembly there but the company has been told that the Turkish central bank has run out of foreign currency.

300 more jobs to go at Reliant plant

As part of a campaign to reduce productivity, another 300 jobs are to be cut from the 1,300 work force at Reliant car manufacturing plant at Tamworth, Staffordshire. Over the past two years Reliant has already cut its work force from 2,000 to 1,300.

The company is owned by F. Nasti Securities. Tractor cut-back: The International Harvester is to make 910 workers redundant at its Bradford factory. Aeronautical crisis in Turkey resulted in the factory losing orders worth more than £2m a year. Production is to be reduced by almost a third.

The factory, which employs about 1,700 people, has been modernized and extended at a cost of £2.5m, primarily to meet the orders from Turkey.

This year it had been hoped to end 2,500 tractors at £4,000 each and 4,000 sets of components for assembly there but the company has been told that the Turkish central bank has run out of foreign currency.

The damage appeared after a series of gales throughout January. The temporary loss of the Argyll platform will have only a marginal effect, but combined with the difficulties the weather has caused to other fields that lead off directly to tanks, it could depress total offshore output below the 800,000 barrel a day mark for a short period.

It is not the first setback Hamilton Brothers has encountered with the field, which lies in the southern part of the oil-producing area. In any accident, collisions and other problems were said to have caused the platform to be closed down for four to six weeks for repairs in sheltered waters.

A spokesman said the platform had not been involved in any accidents or collisions and that the problems were consistent with normal wear and tear.

Production, averaging around 20,000 barrels a day, stopped on Saturday, and the wells are being disconnected from the platform. It will be towed to Methil and inspection and repairs are to begin by this weekend.

The damage appeared after a series of gales throughout January. The temporary loss of the Argyll platform will have only a marginal effect, but combined with the difficulties the weather has caused to other fields that lead off directly to tanks, it could depress total offshore output below the 800,000 barrel a day mark for a short period.

It is not the first setback Hamilton Brothers has encountered with the field, which lies in the southern part of the oil-producing area. In any accident, collisions and other problems were said to have caused the platform to be closed down for four to six weeks for repairs in sheltered waters.

A spokesman said the platform had not been involved in any accidents or collisions and that the problems were consistent with normal wear and tear.

Food processors relief from VAT

By Hugh Clayton

Food processors have appealed to the Government to stop imposing value-added tax on food. They first made the appeal in 1973 after tax which had been removed by the Conservatives was reimposed by Labour.

Sir Hector Laing, chairman of the Food and Drink Industries Association, told Mr Healey, the Chancellor, that the case for zero-rating of all foods has strengthened in the past year.

Sir Hector said in a letter released yesterday that taxed foods were basic and made a growing contribution to the diet. At the same time the Government was making tax cuts far greater than the £130m which was lost through VAT on food last year.

The taxed foods are concentrated fruit juices, oats, crisps, chocolate and sugar confectionery, chocolate biscuits, ice cream and soft drinks. Zero-rating of them is one of the issues on which the council, which represents trade associations, has been able to adopt a united front in public.

The taxed

BY THE FINANCIAL EDITOR

The right course for Leyland's minority to take

Leslie Murphy, chairman of the al Enterprise Board, has now concluded that the next cash injection into Leyland will be equity rather than loans envisaged under the Ryder plan. It seems sensible, but it serves to highlight increasingly embarrassing presence 100,000 minority shareholders holding per cent of the equity.

Injection of £400m has been suggested as much should bring debt and back into a rough balance, but even now would reduce the minority to where the shares would be a mean proportion of the whole, with no time. Sir Leslie said yesterday that minority would be given an opportunity in new money, but it can hardly be while for them to do so.

er injections of equity may be in subsequent years, so it would be as for the Government to land itself possibility of launching a stream of issues.

e should be a facility bid at near rent market price of 27p to the out shareholders, who for reasons of or sentimentality failed to accept equivalent offer two years ago at ne time as the initial £200m rights nd for it to be left on until such as the remainder could be acquired sorily.

rs of the £27m of convertible stock, n the same time, be offered an extra ent coupon, to bring it to 71 per eturn for losing their conversion. Sir Leslie yesterday was careful not ut the possibility of an offer.

holders should now be given that chance. Any vague thoughts any minority may have of receiving pink t a possible flotation of the special 's division can be forgotten. There plans for it to happen, only those ng to ensure the survival of British

lending ortions in attern

rkets, obsessed as ever by where ey supply is headed, have been increasingly jittery about the banks hich are due to be published w morning. There has been a dis- ding in the earlier optimism that -ks eligible liabilities—essentially ertling deposits and therefore the t factor in money supply—could ingificant fall in the January bank-

as premised on big sales of gilts- on-bank public of some £800m, a government financial surplus and low demand for bank loans. orries, latterly, have centred on this happy prospect might be upset, ce by some bulkier than expected nents working through to bank g. Some bankers report a switch in g away from the money markets to s which would also be reflected in liabilities.

ether or not today's figures are ing to financial markets, the e uniformly agreed that, notwith- December's revival in the retail elding lending demand remains ever-

ing though that may be to none- wever, the short-term outlook for pply is far from encouraging. The or, the February banking month art from yesterday's £320m call ty-paid Treasury stock, precious t all look like being sold. January month does nothing more o money supply growth barely back 3.13 per cent target band it will ogressively more difficult to meet n the remaining months of the ear without raising interest rates to get the gilt-edged bandwagon in.

witnessed the attempted rape of y Rothschild Investment Trust of Russel, Harrisons & Crosfield ally continued to build up the around its most prized asset, Malaysian Estates (the reincarna- "Three Sisters").

It has increased its direct stake by the purchase of a further 400,000 shares to 17.1 per cent which is taken up in around 29 per cent when associates are included. (Sogommo, in which group interests have 41.6 per cent, with HME holding the biggest slice at 28.1 per cent, has a further 1.4 per cent of HME, but has not been classed as acting in concert.)

Two of the associates—Harcross Investment Trust with 4.5 per cent and Malmgren with 2.8 per cent—are in the process of becoming H&C subsidiaries following the group's successful bids for them. But of the group's total of 29 per cent, nearly 3 per cent is held by London Sumatra, for which McLeod, RIT and Sipef are holding 110p cash. Neither LS nor H&C have made a positive move on the bid, presumably waiting for the offer document which should be out either at the end of this week or the beginning of next.

Mystery surrounds the delay of the effective transfer of domicile to Malaysia of the HME operations via a mirror company, which will still enable H&C to maintain control from London. But whatever the outcome, H&C is no doubt conscious that Kien Huoi Realty, which could in concert with Genting Highlands lost part in the abortive battle for Golden Hope, holds 12 per cent of HME. Having been taken unawares by the bid for Malmgren, H&C is taking care with HME.

British Sugar Still investing heavily

British Sugar Corporation is able to take this year's likely cash shortfall on its balance sheet without any trauma. Gearing at under 11 per cent and cash-flow this year of around £30m would be just £5m short of the amount of capital spending planned, a deficit that would push gearing up to only 15 per cent.

This may allay fears that the company might come back to the market with another cash call to follow up its £18m rights issue in July. However, the fact that it should be a problem at all is a reflection of the way the company has had to deal with some unforeseeable contingencies since the spending programme was planned.

This year the crop of 950,000 tonnes should, with some outside buying, push total sales over the 1m tonnes mark without recourse to imports. Not long ago this would have been taken as a sure pointer to pretax profits of £30m but the delay in the Green Board's decision and the problems of holding prices to retailers in the midst of the pitched battle in the High Streets have



Sir Gerald Thorley, chairman of British Sugar Corporation.

conspired to pull the likely profits outcome down to around £25m against last year's £20.5m.

If the Green Board is devalued by 7.5 per cent on July 1 this will only help the final quarter this year and the retailers show no immediate sign of ending hostilities. However, BSC is well on its way to pushing its own acreage up by 5 per cent this year so, assuming a reasonable crop, the longer term prospects look brighter for the capital spending programme and thus the balance sheet.

The shares at 440p, down 5p yesterday, are on a fully-taxed p/e ratio of 6.7 and a yield of 6.5 per cent, not a generous rating particularly on medium term prospects. BSC's yield, even under current cost accounting, is still well-covered.

Eric Wigham on moves to improve the International Labour Organization's effectiveness

The future of the International Labour Organization, the one worldwide body in which employers' and workers' representatives sit alongside those of governments, may be decided at a series of meetings over the next few months.

On Monday next a working party will discuss proposals to change the ILO constitution. A fortnight later the governing body, the executive board of the organization, will consider emergency financial measures.

In June the annual International Labour Conference in Geneva will assemble for the first time since the United States left it, and the attitude of the various groups there will give some indication whether it is possible for Third World and industrialized countries to continue to work together for the benefit of workers everywhere.

There was a time between the wars when the organization was largely centred on western Europe. Later came the entry of the Communist countries, using it as a vehicle for political propaganda.

Finally, as more and more colonies achieved independence, the number of Third World members grew until, through the Group of 77, claiming to represent 114 countries, they have become able, when they act together, to exercise majority control over the conference and more often than not over the governing body.

The overriding question is how they will use the power their numbers give them. The ILO was built on western beliefs in democratic liberties, freedom of association and international improvements in working conditions through agreement on minimum standards.

The developing countries are more concerned with the right to have enough to eat, and a large proportion of the organization's effort is now devoted to technical aid and assistance. To what extent will the Group of 77 and the Communist block be willing to make concessions to the industrial countries who even without the United States provide a substantial part of

the funds on which the ILO depends?

The conflict was brought to a head last November when the United States withdrew from the organization, depriving it of about \$22.5m, or roughly a quarter of its contribution income. Britain and other industrial countries, though supporting many of the United States critics, remained inside with the support not only of trade unions but of employers who regard it as a value to industry to have an international forum where they can express their views directly to governments.

Both the ILO and the CBI would like to see increased use of the ILO's committees for separate industries at the meetings of which the approach is usually down to earth, and politics rarely raises its ugly head.

The four main issues to be resolved are the immediate financial difficulties, the composition of the governing body, the procedure for dealing with resolutions and the policing of the observance of covenants.

The financial problem seems pretty well settled for this year. A reduction in staff of 250 out of 2,800, and other economies, for instance in conferences and publications, will save 21.7 per cent of the 25 per cent of its income lost by American withdrawal. An appeal for voluntary contributions to meet the remaining 3.3 per cent is going well.

There are other budget losses. Because all contributions are paid in dollars but most expenditure is in Swiss francs, the recent fall in the exchange rate of the dollar is costing

Can the ILO adjust to hard times?

The ILO's another \$14m being met by various adjustments. There is also China, whose budget contribution was fixed at about \$42m. But China, though technically a member since it replaced Taiwan in the United Nations, has never taken any part in the work of the ILO or paid it anything, and recently informed M Francis Blanchard, the ILO director general, that it intends to continue that way. But that was allowed for.

Tha most immediately controversial question is the composition of the governing body.

At present it consists of 28 governments, 14 employer and 14 worker delegates. All are elected by their groups except that 10 government seats are set aside for members of chief industrial importance. In addition, 14 deputy members from other countries are chosen by each group with the right to be present at meetings and to speak but not normally to vote. The justification for German representation of countries of chief industrial importance is that they provide a high proportion of the organization's funds, but the Group of 77 have always considered it undemocratic.

Frank Vogl

Mr Carter wins a measure of approval from US business

A fundamental change in attitude is developing on the part of American business leaders towards President Carter. The deep mistrust of the President is now gradually giving way to a more balanced and reasonable view.

If the change can filter down from the chairman of the nation's largest companies to the wider business community, then its impact on the economy could be formidable.

The change in attitude points to strengthening private sector investment, which should spur gains in real growth and employment and heightened confidence in American financial markets.

This change in view results from an enhanced understanding by business leaders of today's political realities and of the pressures that the President has had to face. This in turn is the product of increased attempts by the President to talk directly to business leaders and listen to their ideas.

The President said all the things that Democratic politicians seeking office tend to say in election campaigns, and of course these statements did not endear Mr Carter to the business community.

He not only seemed willing to toy with wage and price controls and to threaten the independence of the Federal Reserve Board, but he seemed willing massively to increase public spending.

The negligible efforts made by the President in the first half of 1977 to develop good contacts with business leaders served only to strengthen their fears.

In the summer the President negotiating with his access in office might heavily depend on increasing business confidence. His Cabinet officers started to develop contacts with business groups and he became more responsive to business demands.

The turning point in the President's relationship with United States business leaders probably came a few weeks ago at a meeting in his oval office.

The President directly briefed nine of the leaders of the American Business Roundtable—an organization representing about 140 of the largest corporations on the outlines of his budget and new economic policies.

The meeting, according to both business participants and administration officials, was relaxed and productive.

The chairman of one of the nation's biggest manufacturers noted privately the other night that few businessmen fully appreciated the immense pressures placed on the President by liberal and trade union groups.

He noted that when these pressures were objectively recognized, then it could be seen that in numerous areas the President had gone as far in meeting the business community's demands as he dare go.

It is the appreciation of those pressures and the belief that the President has been influenced by the views of businessmen in recent weeks that

new White House policies but because of problems in their own backyard—problems resulting from increased competition and from plans to restructure the securities industry.

Moreover, quite a few business leaders attribute the continuing nervousness on Wall Street to the uncertainties that surround the dollar's exchange rate.

Businessmen seem to agree with the President that the solution on this matter now rests most particularly with the Congress and its willingness swiftly to enact energy legislation.

The shift in attitudes by such business leaders as Mr Reginald Jones of General Electric, Mr Walter Wriston of Citicorp, and Mr Thomas Murphy of General Motors, do not merely reflect improved contacts with the President, but also some solid victories by the business community over the trade unions and liberal pressure groups in determining Administration decisions.

The President's appointment of a highly respected businessman, Mr William Miller, to be the next head of the Federal Reserve Board, is one such victory.

Another is the President's decision to propose business tax cuts, despite fierce trade union opposition. Then, again in the face of stern trade union pressure, the President has so far staunchly resisted a move toward general trade protectionism.

Business leaders are themselves divided on the trade question, with the steel industry chiefs, for example, in the forefront of the campaign for tough new trade barriers.

However, these businessmen flatly admit that it would be a crazy world if a Democratic President were to side with business against the unions on every issue, and one loss for business should not be viewed as a cause for outright hostility towards the White House.

On the anti-inflation programme the businessmen state that they have had categorical promises from the Administration that the current approach is not a forerunner to controls; that it is not going to be used as a means by the Administration to win cheap publicity, as was done by President Johnson, and that all negotiations

enjoyed some access to the President's office, admit that they have genuine problems in persuading other businessmen to put more trust in the Administration.

The most prominent of these areas are the Federal budget, labour law reform legislation and the new White House anti-inflation programme.

For many businessmen the announcement of a budget with a \$60,000m deficit is seen solely as a recipe for further

high inflation. Men like Mr Reginald Jones, however, believe this is an unfair assessment.

They note there is still much slack in the economy and that, given the tremendous public spending demands of the trade unions, the black American groups and leaders of financially ailing cities, the President has done quite a remarkable job in holding public spending increases to a level of less than 2 per cent in real terms.

On labour law reform the businessmen state that there are quite a few points that they oppose, such as the increased powers given to shop stewards and the reduced rights of companies to oppose union organizing drives.

However, these businessmen flatly admit that it would be a crazy world if a Democratic President were to side with business against the unions on every issue, and one loss for business should not be viewed as a cause for outright hostility towards the White House.

On the anti-inflation programme the businessmen state that they have had categorical promises from the Administration that the current approach is not a forerunner to controls; that it is not going to be used as a means by the Administration to win cheap publicity, as was done by President Johnson, and that all negotiations

Deep distrust of 1977 appears to be diminishing

between business, labour and government will be quiet and without the glare of publicity? Moreover, the businessmen assert they have promises from the President that he will set an example by being tough in negotiations on Civil Service pay rises and that he will be more active in reducing government regulations, which add to business operating costs.

The business leaders, however, would like Mr Michael Blumenthal, the Treasury Secretary, to have greater authority in these areas than the President seems willing to give him.

To be sure there are numerous areas where the business leaders would like to see changes in Administration policies. They would like to see greater support for business exporting activities, for tax breaks for high income earners, not just the middle and low income earners, and they would like to see a general cut in public spending on many social welfare programmes.

It would be going too far to suggest that there is a real bond of trust now between the White House and the nation's top corporate executives. But the deep distrust that so affected business confidence in 1977 appears to be diminishing. Businessmen are gaining the ear of the President and they believe that they are starting to influence Administration policies.

The real question now is whether this change in attitude at the helm of big business can spread to Wall Street and to the wider business community. "Frankly," said the chairman of one major concern, "my colleagues and I are worried that businessmen generally may think we have been co-opted by this Administration and that we may lose our credibility."

"If we continue to get better results from our dealings in Washington, then we'll become more confident and more outspoken at least we know where the President stands on the issues, what the pressures on him are, and he knows what concerns us, and that is surely a pleasant change."

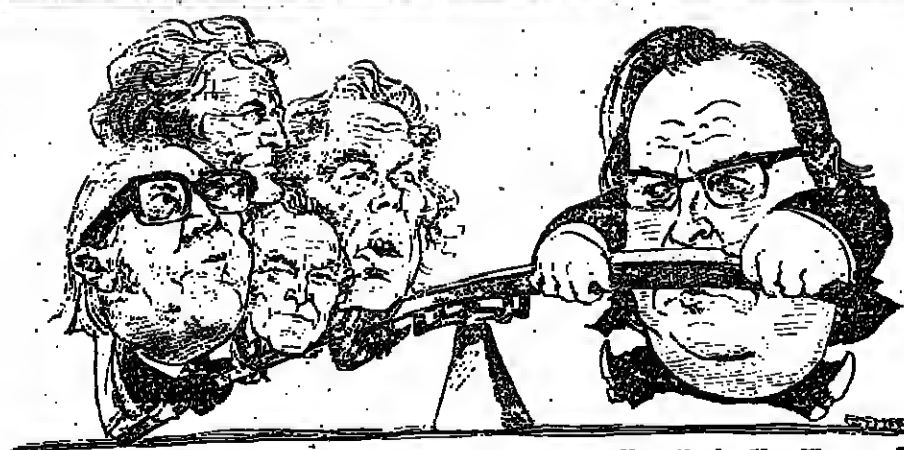
Business Diary: Man overboard • Jack Jones and after

between the River & repairing industry & family have been & the departure Silley from the isbed River Thames

relinquished all his & with the company & part of the state & b Shipbuilders, R & id Silley Weir to the other Thames-London Graving & along the shiprepair & dropped from the & s nationalization & year but which & vesting day sought & n the public sector & b controlled Green & ir sold out its in- & vating bought out & ly interests in re- & illey was managing & e company which & nly merged with & m River Thames

rger also produced & ality in the form & royal Navy man- & s, formerly with & ned LCD as fir- & and soon after- & its managing & ns took over as & e of the new com- & e said last night, & a rather anomal-

us to have been a & ut a specific role & up and agreed to



A swing in the balance of TUC power? Left to right, Geoffrey Drain, Ken Thomas, David Bassett, Alan Fisher and Moss Evans.

design with suitable (undis- closed) compensatory payments. The retirement of Jack Jones next month from the general secretariat of the Transport and General Workers' Union, the country's biggest, will create a power vacuum in the trade union movement. It is widely assumed that the vacuum will be filled by his successor, Moss Evans, when he inherits the two million vote within the TUC. But it isn't necessarily so.

Power depends on a man and his allies as well as his office and it may be that a formidable rival block is beginning to emerge since David Bassett,

general secretary of the General and Municipal Workers' Union, recently called for the creation of a public services committee including local government, Civil Service and health service unions.

This is a controversial move because Bassett is this year's chairman of the TUC general council and less than six months ago the council, in a report to the annual congress, threw cold water on the idea. Bassett's plan was severely criticized by Evans, whose union also has a large number of public service members, but it has the general support of Geoffrey Drain of the National and Local Government Officers' Association.

Alan Fisher, general secretary of the National Union of Public Employees, and Kenneth Thomas, general secretary of the Civil and Public Services Association.

The GMWU and these three unions have together a membership of 2,500,000. Much will depend on the first meeting of public service unions to discuss the plan, which will take place at Nalzo on Thursday. And if they accept the cool, thoughtful leadership of Bassett, he could well become a traditional, down-to-earth Moss Evans.

The destruction by Lady Spencer Churchill of the portrait of Sir Winston by Graham Sutherland brings to mind a similar if somewhat more entertaining episode concerning Lord Leverhulme, founder of the Unilever empire and Augustus John.

In 1920, Lord Leverhulme, who was already an art collector of international repute, decided to have his portrait done by John, then, in the words of Leverhulme's most recent biographer "at the height of his fame if not of his powers".

The artist, who usually didn't like doing portraits, said he was happy with the result. The sizar said the eyes, nose and mouth were not his, whereupon John offered the peer his brushes and palette.

On taking delivery of the painting, Leverhulme cut out the head and face and placed it in his safe. The rest of the portrait he put away in a packing case with a label in his own writing marked "Remains of a portrait by Augustus John".

Unfortunately, or otherwise, the old rogue's housekeeper innocently sent back the packing case to John, who wrote asking for an explanation of "this, the grossest insult I have ever received in the course of my career".

The story leaked out into the papers, and there were demonstrations in London where a headless replica of the peer's torso was exhibited, and in

Italy, where there was a 24-hour strike of models, colourmen and frame makers in the painting industry.

After Leverhulme's death his grandson, the present third Viscount, found the missing head and face still in the safe. He had it framed and hung at the family home, Thornton Manor, in 1950, the year of John's retrospective exhibition at the Royal Academy, the painter came up with the rest of the canvas and paid for a Dr J. Hell 'fire to patch up and then completely restore head to shoulders.

It was done as Sir Gerald Kelly, then the RA secretary, said "with Halsh ingenuity". The complete portrait now hangs at Thornton.

The episode is told with great verve in W. P. Jolly's sprightly biography Lord Leverhulme (Constable, 1976).



Headlines: Lord Leverhulme by Augustus John.

VIBROZANT HOLDINGS LIMITED

Business: Plant Hire Specialists
INTERIM STATEMENT
HALF YEAR TO 30th SEPTEMBER

	1977	1976
Group Turnover	4,384,262	3,882,627
Unaudited Profit before Taxation	1,226,800	864,959
Corporation Tax 52%	637,936	449,779
Group Profit after Tax	588,864	415,180

Cost of Dividend (after waivers) Net 142,560 128,700

The Directors have declared an Interim Dividend of 3.96p per share which together with the Associated Tax Credit is equivalent to 6p per share (1976 5.5p per share). The Dividend is payable to those shareholders on the Register at the 24th February, 1978 and will be paid on the 6th March, 1978.

Registered Office—Prospect Road, Starbeck, Harrogate, North Yorkshire.

Stock markets

Hamilborne in talks with unnamed bidder

Authorized Units, Insurance & Offshore Fund

Steg61er: March, £85; May, £87; Sept.,
 £85.66; Nov. £86.03; Jan. £88.45.
 Sales: 67 lots.
 Home-Grown Cereals Authority.—
 Regional and UK average ex-farm spot

[illegible]

numbers up 33.6 per cent, average price 62.41p + D.641. Sheep numbers up 24.3 per cent, average price 130.9p + D.11.

to be set up

agreement is not feasible at present, mainly because the cost

Uncita proposed that producing countries should cut back on their output, as there are currently more than 200m tons of unsold copper in the world. He also proposed that the average annual requirement be doubled.

Feb	Feb	Feb	Feb
-----	-----	-----	-----

[illegible]

194	194	Shell Irons	314	314
194	194	Signal Co	284	284
17	194	Singer	184	184
284	284	Song	73	73

23	234	5th Ed Edition	235	231
24	235	Southwestern Pacific	236	232
25	236	Southwestern Rand	237	233
26	237	Spokane City	238	234
27	238	Squibb	239	235
28	239	St Brands	240	236
29	240	Std Oil California	241	237
30	241	Std Oil California	242	238
31	242	Std Oil Ohio	243	239
32	243	Stierling Drug	244	240
33	244	Stevens J. P.	245	241
34	245	Studebaker Corp	246	242
35	246	Sundstrand	247	243
36	247	Teddyden	248	244
37	248	Tenneco	249	245
38	249		250	246

24	25	Texas East Trans	41%	40%
201	201	Texas Intl	69%	69%
201	201	Texas Utilities	17%	18%

1998	22%	Textron	15%	11%
1997	23%	THA	15%	11%
1996	24%	Travelers Corp	15%	11%
1995	25%	TRW Inc	15%	11%
1994	26%	CAL Inc	15%	11%
1993	27%	Imperial Ltd	15%	11%
1992	28%	Imperial Ltd	15%	11%
1991	29%	Imperial Ltd	15%	11%
1990	30%	Imperial Ltd	15%	11%
1989	31%	Imperial Ltd	15%	11%
1988	32%	Imperial Ltd	15%	11%
1987	33%	Imperial Ltd	15%	11%
1986	34%	Imperial Ltd	15%	11%
1985	35%	Imperial Ltd	15%	11%
1984	36%	Imperial Ltd	15%	11%
1983	37%	Imperial Ltd	15%	11%
1982	38%	Imperial Ltd	15%	11%
1981	39%	Imperial Ltd	15%	11%
1980	40%	Imperial Ltd	15%	11%
1979	41%	Imperial Ltd	15%	11%
1978	42%	Imperial Ltd	15%	11%
1977	43%	Imperial Ltd	15%	11%
1976	44%	Imperial Ltd	15%	11%
1975	45%	Imperial Ltd	15%	11%
1974	46%	Imperial Ltd	15%	11%
1973	47%	Imperial Ltd	15%	11%
1972	48%	Imperial Ltd	15%	11%
1971	49%	Imperial Ltd	15%	11%
1970	50%	Imperial Ltd	15%	11%
1969	51%	Imperial Ltd	15%	11%
1968	52%	Imperial Ltd	15%	11%
1967	53%	Imperial Ltd	15%	11%
1966	54%	Imperial Ltd	15%	11%
1965	55%	Imperial Ltd	15%	11%
1964	56%	Imperial Ltd	15%	11%
1963	57%	Imperial Ltd	15%	11%
1962	58%	Imperial Ltd	15%	11%
1961	59%	Imperial Ltd	15%	11%
1960	60%	Imperial Ltd	15%	11%
1959	61%	Imperial Ltd	15%	11%
1958	62%	Imperial Ltd	15%	11%
1957	63%	Imperial Ltd	15%	11%
1956	64%	Imperial Ltd	15%	11%
1955	65%	Imperial Ltd	15%	11%
1954	66%	Imperial Ltd	15%	11%
1953	67%	Imperial Ltd	15%	11%
1952	68%	Imperial Ltd	15%	11%
1951	69%	Imperial Ltd	15%	11%
1950	70%	Imperial Ltd	15%	11%
1949	71%	Imperial Ltd	15%	11%
1948	72%	Imperial Ltd	15%	11%
1947	73%	Imperial Ltd	15%	11%
1946	74%	Imperial Ltd	15%	11%
1945	75%	Imperial Ltd	15%	11%
1944	76%	Imperial Ltd	15%	11%
1943	77%	Imperial Ltd	15%	11%
1942	78%	Imperial Ltd	15%	11%
1941	79%	Imperial Ltd	15%	11%
1940	80%	Imperial Ltd	15%	11%
1939	81%	Imperial Ltd	15%	11%
1938	82%	Imperial Ltd	15%	11%
1937	83%	Imperial Ltd	15%	11%
1936	84%	Imperial Ltd	15%	11%
1935	85%	Imperial Ltd	15%	11%
1934	86%	Imperial Ltd	15%	11%
1933	87%	Imperial Ltd	15%	11%
1932	88%	Imperial Ltd	15%	11%
1931	89%	Imperial Ltd	15%	11%
1930	90%	Imperial Ltd	15%	11%
1929	91%	Imperial Ltd	15%	11%
1928	92%	Imperial Ltd	15%	11%
1927	93%	Imperial Ltd	15%	11%
1926	94%	Imperial Ltd	15%	11%
1925	95%	Imperial Ltd	15%	11%
1924	96%	Imperial Ltd	15%	11%
1923	97%	Imperial Ltd	15%	11%
1922	98%	Imperial Ltd	15%	11%
1921	99%	Imperial Ltd	15%	11%
1920	100%	Imperial Ltd	15%	11%

20	31	Warner Lambert	279	272
551	554	Wells Fargo	261	253
478	474	Western Bancorp	304	302
521	524	Western Union	275	272

39 1/2	Whitcomb Elec	20 1/2	23 1/2
41 1/2	Westinghouse	20 1/2	21 1/2
42 1/2	Whirlpool	20 1/2	21 1/2
43 1/2	White Motor	20 1/2	21 1/2
44 1/2	Wheaton	18 1/2	19 1/2
45 1/2	Xerox Corp	33 1/2	43 1/2
46 1/2	Zenith	43 1/2	122 1/2
47 1/2			
48 1/2			
49 1/2			
50 1/2			
51 1/2			
52 1/2			
53 1/2			
54 1/2			
55 1/2			
56 1/2			
57 1/2			
58 1/2			
59 1/2			
60 1/2			
61 1/2			
62 1/2			
63 1/2			
64 1/2			
65 1/2			
66 1/2			
67 1/2			
68 1/2			
69 1/2			
70 1/2			
71 1/2			
72 1/2			
73 1/2			
74 1/2			
75 1/2			
76 1/2			
77 1/2			
78 1/2			
79 1/2			
80 1/2			
81 1/2			
82 1/2			
83 1/2			
84 1/2			
85 1/2			
86 1/2			
87 1/2			
88 1/2			
89 1/2			
90 1/2			
91 1/2			
92 1/2			
93 1/2			
94 1/2			
95 1/2			
96 1/2			
97 1/2			
98 1/2			
99 1/2			
100 1/2			

334	335	Falconbridge	11/3	11/3
341	342	Gulf Mill	9/12	11/3
343	344	Walker Sid Can	9/12	11/3
345	346	Hudson's Bay Store	11/3	11/3

36 1/2	31	Rudman	Bay Oil	43	43
27 3/4	17	Inasco		25 1/2	25 1/2
59	58 1/2	Imperial Oil		104 1/2	104 1/2
29 1/4	29	Int'l Pipe		13 1/2	13 1/2
24 1/2	24 1/2	Int'l. Trans.		17	17
24 1/2	24 1/2	Royal Dutch		16	16
70 1/2	70	Seagram		235	231 1/2
22 1/2	22 1/2	Steel Co		23 1/2	23 1/2
5 1/2	5 1/2	Telcor		5 1/2	5 1/2
31 1/2	31 1/2	Thomson S. A.		107	117 1/2
31 1/2	30 3/4	Walker Hiram		32 1/2	32 1/2
24 1/2	25	W.T.		32 1/2	32 1/2

Market closed. n New Issue. p Stock split.

768.62	(770.881:	transportation,
212.16	(212.091:	utilities, 105.21
(105.811:	68 stocks,	270.57 (271.431.

New York	Stock	Exchange	Index
139.64	139.72	monstrals	55.17
135.93		transport	50.50
139.62		utilities	59.97
Financial	50.79	(50.80)	139.04

Discount market

Money market conditions proved easier yesterday than had seemed likely in the face of a \$30m "call" on Treasury 10½ per cent

1999. Part of the reason was that not all of that instalment would have been paid over in one day.

The remainder will probably trickle in over another day or two. The only other adverse factor in the market was a very slight net Treasury bill take-up. There was a slight fall in note circulation, as the Bank of England was called upon to provide only moderate-scale help, split into moderate purchases of Treasury bills and a small amount of local government bills. The interbank

market, fearing a tight day, called rates $6\frac{1}{2}$ to $6\frac{3}{4}$ per cent at the out-

set. Discount houses, however, mostly judged the situation rather better than that. They stood back and rarely moved before rates had come off to 5½ per cent. Then they took in money steadily on declining rates that had reached 5 per cent by lunchtime. Final balances were pulled in within a band of 4 to 4½ per cent.

Rates

Bank of England Minimum Lending Rate 5%
 (last changed 6th Feb)

Treasury Bills - 91%			
1 month	91%	3 months	91%
6 months	91%	1 year	91%
Fixed: 91%			
Treasury Bills - 91%			
1 month	91%	3 months	91%
6 months	91%	1 year	91%
Fixed: 91%			
Local Automatic Bonds			
1 month	91%	3 months	91%
6 months	91%	1 year	91%
Fixed: 91%			

9 months	10 months	11 months	12 months
13 months	14 months	15 months	16 months
17 months	18 months	19 months	20 months
21 months	22 months	23 months	24 months
25 months	26 months	27 months	28 months
29 months	30 months	31 months	32 months
33 months	34 months	35 months	36 months
37 months	38 months	39 months	40 months
41 months	42 months	43 months	44 months
45 months	46 months	47 months	48 months
49 months	50 months	51 months	52 months
53 months	54 months	55 months	56 months
57 months	58 months	59 months	60 months
61 months	62 months	63 months	64 months
65 months	66 months	67 months	68 months
69 months	70 months	71 months	72 months
73 months	74 months	75 months	76 months
77 months	78 months	79 months	80 months
81 months	82 months	83 months	84 months
85 months	86 months	87 months	88 months
89 months	90 months	91 months	92 months
93 months	94 months	95 months	96 months
97 months	98 months	99 months	100 months

Secondary Mkt: LCD Market	
month	0 months 7%
months	12 months 7-7 1/2
Local Authority: Market	
days	0 months 7%
month	0 months 7%
month	1 year 7 1/2
Interbank Market	
overnight	0 months 7%
month	0 months 7%
month	6 months 7 1/2
month	9 months 7 1/2
month	12 months 7 1/2
Financial: Finance House: Retail	
months	0 months 7%

Page 10 of 10

۳۴۱

1977.73				1977.75				Fisc. 1977	
High Bid	Low Offer	Trust	Bid Offer Yield	High Bid	Low Offer	Trust	Bid Offer Yield	Bid	Yield
100.00	99.00	100.00	100.00	100.00	99.00	100.00	100.00	100.00	100.00

[illegible]

National Westminster Unit Trust Managers.					
41 Lombard, London. EC3P 2BP.	tel: 437 8044				
91.1	05.7	Growth	70.8	85.6	5.05

[illegible]

Provincial Life Investment Co Ltd.			
222	Rishbopgate, EC2	91-34	6333
74.8	85.5 Prolific	70.0	73.5
112.3	72.6	101.8	108.0
Fidelity Life Assurance Ltd.			
120.2	100.0 Milred Fnd	103.6	105.8
142.6	117.6	130.0	136.9
Surrey Street, Norwich, Norfolk, EN1 3EG			
120.3	113.8	120.3	113.8

[illegible]

67.6	59.7	Energy	65.3	84.3	96	818 Samuel Life Assurance Ltd.	The Laas, F
68.7	63.2	Financial Sec	62.8	97.3	93	N.L.S. Tr., Adelaide Rd., Croydon, 01-586 4355	102.7 74.4
69.3	68.3	Select Int	73.5	97.1	93	124 133A Property Units 124A 149.6	See also
69.4	63.1	Gen Income	60.5	91.3	98		

[illegible]

27.6	27.8	Europe (25)	27.0	27.5	1.5	141.8	127.7	No Growth (31)	181.9	190.8	..	80	Bishops
29.9	29.7	On Account	29.3	29.5	1.2	217.4	213.0	Managed Fnd	211.8	222.8	10.9	10.5	7.4
Scottish Equitable Fund Managers Ltd.													
Blue Chip Fnd													
64.1													
70.2													
5.9													

[illegible]

21 Chantry Way, Andover, Hants. Andover 62188	135.5	138.4	Do Property	135.3	139.4	1.94	1.67
46.2 34.2 General	160.2	157.4	Do High Yield	159.2	161.7		
57.8 41.2 Do Accm	144.4	144.2	Do Nonaged	141.8	148.5		
	119.0	118.3	Do Demogr	119.8	126.2		
						20 Fensworth	
						189,000,000	

[illegible][illegible][illegible]

162.0	143.0	Pearson Prop 27	162.0	149.8	...	157.0	145.3	8 All Prop Sns	100.3	...	FO 8ex L286
163	151.0	On Equil	168	148.3	0	168	148.3	0 Bal Ag Sns	114	1.00	1.14
164	151.0	On Equil	164	148.3	0	164	148.3	0 Bal Ag Sns	114	1.00	1.14
165	151.0	On Equil	165	148.3	0	165	148.3	0 Bal Ag Sns	114	1.00	1.14
166	151.0	On Equil	166	148.3	0	166	148.3	0 Bal Ag Sns	114	1.00	1.14
167	151.0	On Equil	167	148.3	0	167	148.3	0 Bal Ag Sns	114	1.00	1.14
168	151.0	On Equil	168	148.3	0	168	148.3	0 Bal Ag Sns	114	1.00	1.14
169	151.0	On Equil	169	148.3	0	169	148.3	0 Bal Ag Sns	114	1.00	1.14
170	151.0	On Equil	170	148.3	0	170	148.3	0 Bal Ag Sns	114	1.00	1.14
171	151.0	On Equil	171	148.3	0	171	148.3	0 Bal Ag Sns	114	1.00	1.14
172	151.0	On Equil	172	148.3	0	172	148.3	0 Bal Ag Sns	114	1.00	1.14
173	151.0	On Equil	173	148.3	0	173	148.3	0 Bal Ag Sns	114	1.00	1.14
174	151.0	On Equil	174	148.3	0	174	148.3	0 Bal Ag Sns	114	1.00	1.14
175	151.0	On Equil	175	148.3	0	175	148.3	0 Bal Ag Sns	114	1.00	1.14
176	151.0	On Equil	176	148.3	0	176	148.3	0 Bal Ag Sns	114	1.00	1.14
177	151.0	On Equil	177	148.3	0	177	148.3	0 Bal Ag Sns	114	1.00	1.14
178	151.0	On Equil	178	148.3	0	178	148.3	0 Bal Ag Sns	114	1.00	1.14
179	151.0	On Equil	179	148.3	0	179	148.3	0 Bal Ag Sns	114	1.00	1.14
180	151.0	On Equil	180	148.3	0	180	148.3	0 Bal Ag Sns	114	1.00	1.14
181	151.0	On Equil	181	148.3	0	181	148.3	0 Bal Ag Sns	114	1.00	1.14
182	151.0	On Equil	182	148.3	0	182	148.3	0 Bal Ag Sns	114	1.00	1.14
183	151.0	On Equil	183	148.3	0	183	148.3	0 Bal Ag Sns	114	1.00	1.14
184	151.0	On Equil	184	148.3	0	184	148.3	0 Bal Ag Sns	114	1.00	1.14
185	151.0	On Equil	185	148.3	0	185	148.3	0 Bal Ag Sns	114	1.00	1.14
186	151.0	On Equil	186	148.3	0	186	148.3	0 Bal Ag Sns	114	1.00	1.14
187	151.0	On Equil	187	148.3	0	187	148.3	0 Bal Ag Sns	114	1.00	1.14
188	151.0	On Equil	188	148.3	0	188	148.3	0 Bal Ag Sns	114	1.00	1.14
189	151.0	On Equil	189	148.3	0	189	148.3	0 Bal Ag Sns	114	1.00	1.14
190	151.0	On Equil	190	148.3	0	190	148.3	0 Bal Ag Sns	114	1.00	1.14
191	151.0	On Equil	191	148.3	0	191	148.3	0 Bal Ag Sns	114	1.00	1.14
192	151.0	On Equil	192	148.3	0	192	148.3	0 Bal Ag Sns	114	1.00	1.14
193	151.0	On Equil	193	148.3	0	193	148.3	0 Bal Ag Sns	114	1.00	1.14
194	151.0	On Equil	194	148.3	0	194	148.3	0 Bal Ag Sns	114	1.00	1.14
195	151.										

[illegible][illegible]

of Pub. Reg. Act. 1934.
 1934, 1935, 1936, 1937, 1938,
 1939, 1940, 1941, 1942, 1943,
 1944, 1945, 1946, 1947, 1948,
 1949, 1950, 1951, 1952, 1953,
 1954, 1955, 1956, 1957, 1958,
 1959, 1960, 1961, 1962, 1963,
 1964, 1965, 1966, 1967, 1968,
 1969, 1970, 1971, 1972, 1973,
 1974, 1975, 1976, 1977, 1978,
 1979, 1980, 1981, 1982, 1983,
 1984, 1985, 1986, 1987, 1988,
 1989, 1990, 1991, 1992, 1993,
 1994, 1995, 1996, 1997, 1998,
 1999, 2000, 2001, 2002, 2003,
 2004, 2005, 2006, 2007, 2008,
 2009, 2010, 2011, 2012, 2013,
 2014, 2015, 2016, 2017, 2018,
 2019, 2020, 2021, 2022, 2023,
 2024, 2025, 2026, 2027, 2028,
 2029, 2030, 2031, 2032, 2033,
 2034, 2035, 2036, 2037, 2038,
 2039, 2040, 2041, 2042, 2043,
 2044, 2045, 2046, 2047, 2048,
 2049, 2050, 2051, 2052, 2053,
 2054, 2055, 2056, 2057, 2058,
 2059, 2060, 2061, 2062, 2063,
 2064, 2065, 2066, 2067, 2068,
 2069, 2070, 2071, 2072, 2073,
 2074, 2075, 2076, 2077, 2078,
 2079, 2080, 2081, 2082, 2083,
 2084, 2085, 2086, 2087, 2088,
 2089, 2090, 2091, 2092, 2093,
 2094, 2095, 2096, 2097, 2098,
 2099, 2100, 2101, 2102, 2103,
 2104, 2105, 2106, 2107, 2108,
 2109, 2110, 2111, 2112, 2113,
 2114, 2115, 2116, 2117, 2118,
 2119, 2120, 2121, 2122, 2123,
 2124, 2125, 2126, 2127, 2128,
 2129, 2130, 2131, 2132, 2133,
 2134, 2135, 2136, 2137, 2138,
 2139, 2140, 2141, 2142, 2143,
 2144, 2145, 2146, 2147, 2148,
 2149, 2150, 2151, 2152, 2153,
 2154, 2155, 2156, 2157, 2158,
 2159, 2160, 2161, 2162, 2163,
 2164, 2165, 2166, 2167, 2168,
 2169, 2170, 2171, 2172, 2173,
 2174, 2175, 2176, 2177, 2178,
 2179, 2180, 2181, 2182, 2183,
 2184, 2185, 2186, 2187, 2188,
 2189, 2190, 2191, 2192, 2193,
 2194, 2195, 2196, 2197, 2198,
 2199, 2200, 2201, 2202, 2203,
 2204, 2205, 2206, 2207, 2208,
 2209, 2210, 2211, 2212, 2213,
 2214, 2215, 2216, 2217, 2218,
 2219, 2220, 2221, 2222, 2223,
 2224, 2225, 2226, 2227, 2228,
 2229, 2230, 2231, 2232, 2233,
 2234, 2235, 2236, 2237, 2238,
 2239, 2240, 2241, 2242, 2243,
 2244, 2245, 2246, 2247, 2248,
 2249, 2250, 2251, 2252, 2253,
 2254, 2255, 2256, 2257, 2258,
 2259, 2260, 2261, 2262, 2263,
 2264, 2265, 2266, 2267, 2268,
 2269, 2270, 2271, 2272, 2273,
 2274, 2275, 2276, 2277, 2278,
 2279, 2280, 2281, 2282, 2283,
 2284, 2285, 2286, 2287, 2288,
 2289, 2290, 2291, 2292, 2293,
 2294, 2295, 2296, 2297, 2298,
 2299, 2300, 2301, 2302, 2303,
 2304, 2305, 2306, 2307, 2308,
 2309, 2310, 2311, 2312, 2313,
 2314, 2315, 2316, 2317, 2318,
 2319, 2320, 2321, 2322, 2323,
 2324, 2325, 2326, 2327, 2328,
 2329, 2330, 2331, 2332, 2333,
 2334, 2335, 2336, 2337, 2338,
 2339, 2340, 2341, 2342, 2343,
 2344, 2345, 2346, 2347, 2348,
 2349, 2350, 2351, 2352, 2353,
 2354, 2355, 2356, 2357, 2358,
 2359, 2360, 2361, 2362, 2363,
 2364, 2365, 2366, 2367, 2368,
 2369, 2370, 2371, 2372, 2373,
 2374, 2375, 2376, 2377, 2378,
 2379, 2380, 2381, 2382, 2383,
 2384, 2385, 2386, 2387, 2388,
 2389, 2390, 2391, 2392, 2393,
 2394, 2395, 2396, 2397, 2398,
 2399, 2400, 2401, 2402, 2403,
 2404, 2405, 2406, 2407, 2408,
 2409, 2410, 2411, 2412, 2413,
 2414, 2415, 2416, 2417, 2418,
 2419, 2420, 2421, 2422, 2423,
 2424, 2425, 2426, 2427, 2428,
 2429, 2430, 2431, 2432, 2433,
 2434, 2435, 2436, 2437, 2438,
 2439, 2440, 2441, 2442, 2443,
 2444, 2445, 2446, 2447, 2448,
 2449, 2450, 2451, 2452, 2453,
 2454, 2455, 2456, 2457, 2458,
 2459, 2460, 2461, 2462, 2463,
 2464, 2465, 2466, 2467, 2468,
 2469, 2470, 2471, 2472, 2473,
 2474, 2475, 2476, 2477, 2478,
 2479, 2480, 2481, 2482, 2483,
 2484, 2485, 2486, 2487, 2488,
 2489, 2490, 2491, 2492, 2493,
 2494, 2495, 2496, 2497, 2498,
 2499, 2500, 2501, 2502, 2503,
 2504, 2505, 2506, 2507, 2508,
 2509, 2510, 2511, 2512, 2513,
 2514, 2515, 2516, 2517, 2518,
 2519, 2520, 2521, 2522, 2523,
 2524, 2525, 2526, 2527, 2528,
 2529, 2530, 2531, 2532, 2533,

John Foord

plant and machinery valuer

* Forward bargains are permitted on two previous days

10810150

